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TODAY: MONEY Investing in Autos, Page 17

Taleban Seizes Kabul, Proclaims Islamic State

Rebels Hang Ex-Dictator Najibullah

Compiled by Our Staff From Dispatches

KABUL — Islamic rebels swept to victory here Friday, hanged a former dictator outside the presidential palace, and ordered the enforcement of Islamic law throughout the country.

"We call upon the international community to recognize us as the government of the Islamic state of Afghanistan," said Wakil Ahmad, as other Taleban leaders proclaimed the complete enforcement of Islam.

The capture of this city by a fundamentalist militia spread waves of apprehension across the region, while Western capitals expressed particular regret over the summary hanging of the Communist former president, Major General Najibullah.

Only Pakistan appeared to be moving quickly to recognize the new regime.

The Taleban, which began as a movement of Islamic former seminary students, now controls two-thirds of the country. The rebels want to impose their version of rigid Islamic rule — which includes keeping women mostly in the home, closing girls' schools and imposing harsh criminal punishments, including executions and amputations.

"Of course I am worried. I don't know whether they will let me work," said Nadia, a government employee in Kabul who supports nine family members on her salary.

In the capital, nearly half of the civil servants are women.

The bloated and beaten body of General Najiballah dangled all day in the hot sun, swaying from a traffic policeman's platform. That was just a few blocks from the United Nations compound where he had been in hiding since his regime was overthrown in 1992.

Hanging beside him was his brother, Shahpur Ahmedzi, security chief during the six years of General Najibullah's unpopular government.

"He was against Islam. He was a criminal. He was a Communist," said Mohammed Rabbani, head of the six-member provisional council set up by the rebels to govern Kabul.

"Anybody who is against Islam, this will be their punishment," said Mr. Rabbani, a bearded, thickset mullah who wore a cleric's black turban.

The execution of General Najibullah and his brother capped the victory of the rebels, who have fought to depose his successor, President Burhanuddin Rabbani.

Where President Rabbani and his top commander, Ahmed Shah Masoud, are, was not known, but Afghanistan's ambassador to India, Masoud Khalili, said in New Delhi that President Rabbani and members of his government were about 25 kilometers (15 miles) north of Kabul.

"Now they will decide how and when they should launch or enforce their military strategy against Taleban," Mr. Khalili said.

Most officers and government troops had abandoned the city under cover of darkness, after thousands of civilians and foreign aid workers fled while it was still light Thursday.

Overnight, Taleban forces moved into the capital from all directions, climaxing a 15-day march that began with

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FIGHTING SPREADS TO AL AQSA MOSQUE

Sven Nackstrand/Agence France-Presse

Lee Maimon, right, crying Friday at the funeral of her brother Avi, a 23-year-old captain who was one of the Israeli soldiers killed Thursday.

Netanyahu Accuses Arafat of Stoking Palestinian Violence

By Serge Schmemann
New York Times Service

JERUSALEM — Israeli policemen stormed into Jerusalem's Al Aqsa Mosque compound on Friday to disperse stone-throwing youths as a wave of Arab-Israeli violence went into its third day. Despite mounting international pressures for a conciliatory gesture, Prime Minister Benjamin Netanyahu defiantly put the entire blame for the bloodshed on Yasser Arafat's "cynical manipulation."

After a morning of relative quiet, violent clashes erupted in five West Bank cities and in Gaza, adding an additional seven Palestinians and three Israelis to the death toll. Since the violence erupted, 56 Palestinians and 14 Israelis have died.

But in contrast to past days, in several places Palestinian policemen tried to restore order, evidently heeding Mr. Arafat's call to stop joining in the attacks on Israeli outposts.

Addressing a news conference with army and intelligence chiefs on either side, Mr. Netanyahu struck a stern and unrepentant stance. The violence, he said, was the result of "deliberate incitement" by Mr. Arafat, and he vowed "to take every measure available to us to protect our troops."

While his security chiefs acknowledged that the melees reflected the frustrations of the Palestinians and that Mr. Arafat may have lost control once the rioting turned to shooting, Mr. Netanyahu sarcastically dismissed any such explanation.

"Arafat has his problems, but we're in a peace process, not in a process where anyone can come and say, 'Oh dear, I feel like shooting at Israeli forces,'" he said.

Mr. Netanyahu also rejected any error in ordering the opening of an entrance to a tunnel alongside the Temple Mount, the action that triggered the Palestinian eruption. He confirmed that the action was not taken simply to facilitate tourists, but also, as the Palestinians charged, to demonstrate the Israeli claim to all Jerusalem.

"I do not regret that we opened the Western Wall tunnel, which has no effect on the Temple Mount, and expresses our sovereignty over Jerusalem," he declared.

Mr. Netanyahu indicated that there was still a chance that he would meet Mr. Arafat, perhaps in Cairo with President Hosni Mubarak of Egypt. Mr. Arafat reportedly has resisted a meeting unless the Israelis make some conciliatory gesture, such as closing the tunnel entrance, a gesture that has also been urged on Mr. Netanyahu by the United States and other Western governments.

[The Palestinian Authority rejected Mr. Netanyahu's accusation that it had "cynically" started and exploited the violence, Reuters reported from Gaza. "The Palestinian security forces did not start the attacks, the Palestinian Authority did not violate agreements by opening the tunnel or open fire at wor-

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Violence followed noon prayers at one of Islam's holiest sites. Page 6.

This Time, Palestinians Have Guns, Not Rocks

By Glenn Frankel
Washington Post Service

WASHINGTON — With the sudden burst of bloodshed, the conflict between Israel and the Palestinians has reverted to the time-honored pattern of provocation and response, kill and be killed. But this time there is a crucial difference: Palestinians have a paramilitary police force and automatic weapons, and Israelis are taking heavier losses than in the past.

The confrontation leaves Israel's new and untested leader, Prime Minister Benjamin Netanyahu, with a stark choice: He can seek to satisfy his right-wing base, and permanently shatter the terms of the Oslo peace agreement between Israel and the Palestine Liberation Organization by sending troops back to the cities and populated zones of the West Bank and Gaza Strip to restore order. Or he can try to move to the political center by seeking to re-establish the partnership with Yasser Arafat that was the centerpiece of the accord.

By contrast, Mr. Arafat, who called for the demonstrations that led to the violence, has so far appeared to be the beneficiary. The turmoil has put the Palestinian cause back on the world's television screens, increased his stature both at home and in the Arab world and forced the Clinton administration to focus on the region during an election campaign.

But there are indications that the violence has intensified to the point where Mr. Arafat cannot keep it under control.

"While the confrontation is good for him because it teaches the Israelis that freezing the peace process is not cost-free, it can also escalate and get totally out of his control," said Khalil Shikaki, director of the Center for Palestinian Research and Studies in the West Bank city of Nablus.

The collapse of relations between Mr. Netanyahu and Mr. Arafat during the Israeli leader's first 100 days in office is the context that largely explains why Israel's decision to dig through 20 inches (46 centimeters) of dirt and open a new door to an existing tunnel in the Old City of Jerusalem triggered such an explosion of rage among Palestinians.

Mr. Netanyahu defeated an architect of the Oslo accord, Shimon Peres, in

NEWS ANALYSIS

the election in May by promising a "secure peace" that would honor the accord while emphasizing Israel's security needs.

For more than three months, Mr. Netanyahu repeatedly scorned and humiliated Mr. Arafat, treating him like a vanquished but recalcitrant enemy rather than as a peace partner.

Mr. Netanyahu's right-of-center government has been confrontational in its rhetoric, resistant to carry out its commitment to withdraw troops partially from the West Bank city of Hebron and critical of Mr. Arafat's alleged failure to honor parts of the accord. Yet the new government has been reluctant to resume discussions on a range of issues that divide the two sides.

These slights have weakened Mr. Arafat's stature among Palestinians.

Jerusalem is sacred ground to both

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Menahem Kahana/Agence France-Presse

Palestinians transporting a man who was wounded Friday in the Jerusalem clashes. They were shouting at Israeli police to open the road.

'Sick' German Workers Get Corporate Medicine

Companies Begin Treatment for Absenteeism

FRANKFURT — Germans have remarkably delicate constitutions, if you believe the statistics.

The average German calls in sick more often than workers in any other industrial nation except the Netherlands, according to the IWD economic research institute in Cologne. To attain that rank, ailment-prone Germany overtook Sweden, which fell to third place after holding the No. 1 spot for a long time.

The most common maladies? German workers' aching backs, migraines, nervous problems, allergies, colds and, especially, circulation problems, but, medically ambiguous complaints that roughly means sluggish circulation. The most common cure — staying home.

Is it something in the Rhine? In a country with the shortest work hours and the longest vacations, such chronic circulation complaints and factory-floor truancy have led to countless jokes about epidemics that strike most often on Fridays and Mondays.

But this past week, the issue has been no laughing matter. In their eagerness to cut costs, a tide of blue-chip companies and industry federations announced they would cut sick pay benefits to 80 percent, taking advantage of a new federal law that goes into effect Oct. 1.

In a matter of days, hundreds of thousands of Germans will face diminished benefits.

To the unions, which staged a 16-week general strike in 1957 to secure rights to six weeks of fully paid sick days a year, the law is a dose of bitter medicine. Unions angrily vowed to fight the change in the courts and to hold another general strike if necessary.

One national health agency has estimated that Germans are sick 20 working days a year, lending new meaning to the term "the sick man of Europe" — a slogan more often used to describe underperforming European economies.

Precisely for its economic side-effects, the phrase is apt, according to the IWD research institute. Long before the law changed, the institute championed the idea of reducing sick pay as a remedy for factory-floor no-shows, a problem that impairs German industrial competitiveness, it asserted. German industry spends more than 60 billion Deutsche marks ($39.5 billion) each year in sick pay, the organization said.

As the legislation made its laborious

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French joblessness hit a record high in August of 12.6 percent. Page 15.

Italy, in Shift, Joins Rush to EU Currency

By Tom Buerkle
International Herald Tribune

BRUSSELS — Europe's single-currency bandwagon gained new momentum Friday as the Italian and Spanish governments announced stringent budgets for 1997 in a bid to be among the first countries to enter monetary union.

The budget package announced in Rome by the government of Prime Minister Romano Prodi was particularly dramatic, containing 62.5 trillion lire ($40 billion) in spending cuts and tax increases. That was twice as much deficit-cutting as the government was willing to tolerate just two days before.

The willingness to accept such belt-tightening reflected a growing belief across the 15-nation European Union that the single currency, called the Euro, will be launched on schedule on Jan. 1, 1999.

Countries increasingly believe they must adopt the single currency at the outset to retain influence over EU economic policy; guarantee unfettered access to Europe's single market for goods and services, and draw the expected benefits of lower inflation and interest rates.

In the last two weeks, the governments of France, Germany and the Netherlands have introduced budgets that

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Seapower: The New Lure for East Asia

By Michael Richardson
International Herald Tribune

SINGAPORE — Almost every country in East Asia is modernizing its navy after the end of the Cold War and a shift in defense priorities from land to sea, increasing the risk that maritime disputes will turn violent, analysts say.

The aim of the arms buildup is to protect sea lanes and straits that are vital for international trade and to safeguard valuable resources — such as oil, gas and fisheries — in extended offshore zones.

Maritime security has become increasingly important in East Asia, said Alan Dupont, a fellow at the Strategic and Defense Studies Center at the Anstraan National University in Canberra.

"The result is a regionwide drive to upgrade or obtain maritime power," he said.

While military spending has been falling almost everywhere else in the world in recent years, it has been rising in East Asia. Rapid economic growth and industrialization in the region have enabled countries to buy, and in some cases build, advanced weapons.

Japan has the third-largest defense budget in the world, and China the fourth-largest, after the United States and Russia.

That is why their conflicting claim to a chain of islands in the East China Sea, called the Senkakus in Japanese and the Diaoyus in Chinese, is being watched closely by other Asian countries. They are concerned about the risk of an armed clash between the two regional heavyweights, whose relations this century have often been marred by suspicion, enmity and military conflict.

In what appeared to be a veiled warning to Japan on Wednesday, the official China Daily newspaper devoted its main article on the front page to the country's defense preparations. The article was accompanied by a photograph of Chinese naval ships that the paper said took part in an exercise in the East China Sea on Sept. 18.

After the Cold War, China is no longer "pinned down" by the Soviet Union and has shifted its strategic focus away from its northern borders, said Robyn Lim, professor of international relations at Hiroshima Shudo University

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AGENDA

Car Bomb Kills 17 in Algeria

ALGIERS (AP) — A car bomb exploded Friday at a market in Algeria, killing at least 17 people and wounding 75 others, government medical sources said.

The bomb exploded as shoppers packed a square in Boufarik, 35 kilometers (21 miles) south of the capital, Algiers.

No one immediately took responsibility for the attack, the latest violence in a four-year Islamic insurgency.

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Dow Jones	Trib Index
Up	Up
4.07	0.27%
5872.92	140.21

The Dollar

New York	Fri. close	previous close
DM	1.5241	1.517
Pound	1.5635	1.5612
Yen	110.855	110.47
FF	5.1547	5.1275

Newsstand Prices

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Cameroon	1,800 CFA	Qatar	10.00 Rials
Egypt	E£ 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

For $30,000, Sail the World 'the Wrong Way'

By Ian Thomsen
International Herald Tribune

SOUTHAMPTON, England — The short news item at the back of the sailing magazine he was reading in his country home near Philadelphia appealed to Bill Shuff in a strange, outrageous way. The item was asking for volunteers to sail in an around-the-world race "the wrong way."

"At the time I was 90 percent through with my divorce proceeding," he was saying Friday, his face red and thickened by training on the water for the last month.

"Going around the world — it had never occurred to me. I still can't say why I did it, but literally within 10 seconds of reading about it I was on the phone asking them to put me on the list."

He is 46 with no children, no parents, no one depending on him financially. "My family situation isn't what I would have wanted, but it's made this easier," he said.

He quit his job — "a good job" — as an electrical engineer with a Pennsylvania utility. At the height of his career he moved out of his house and canceled all his credit cards and said good-bye to everyone for a year.

On Sunday he and 12 other volunteers, plus their skipper, will set sail in the BT Global Challenge, which is billing itself as the world's toughest

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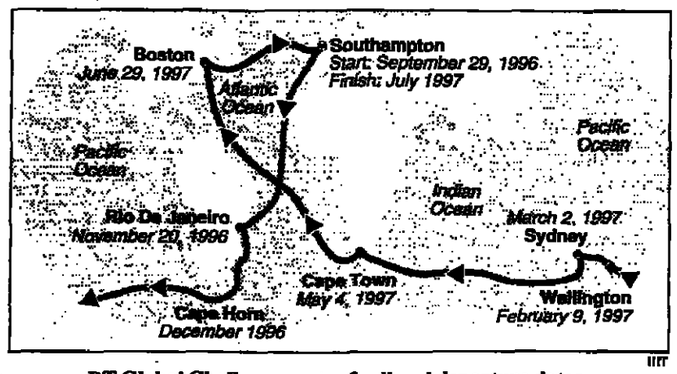

BT Global Challenge ports of call and departure dates.

Recount Rejected For Bosnian Vote

U.S. Pressure Is Seen in Ruling, Despite Suspicions on Turnout

By John Pomfret
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — The organizers of Bosnia's election overruled a recommendation by their own judicial subcommittee Friday for a complete recount because of the possibility of extensive fraud.

The move, orchestrated, Western sources said, by U.S. officials and the nationalist parties that purportedly won the elections, effectively guarantees that the voting results will stand.

The American pressure underscores what one Western official said was the Clinton administration's "desperation to sweep Bosnia's elections under the rug and get on with the peace process."

By avoiding a recount, the United States can move ahead with installing Serbian, Muslim and Croatian nationalists in their positions as members of a government designed to present at least a veneer of unity.

It also allows the UN Security Council to act on the permanent lifting of economic sanctions against Yugoslavia, imposed in 1992.

"This was the most fraudulent election in Europe since the fall of the Berlin Wall," a UN official said. "But with the Americans presiding and ramming it down everybody's throats, there is little you can do."

On Friday afternoon, the election-appeals subcommittee of the Organization for Security and Cooperation in Europe, which supervised the elections, recommended that all the ballots should be recounted. The reason, the committee said in a statement, was to lay to rest concerns that improbably high voter turnouts in the election were due to fraud.

The subcommittee was responding to complaints by the Muslim Party for Democratic Action and the International Crisis Group, an independent body that is monitoring the Dayton accord. The Crisis Group, in a report last week, alleged that more people voted in Bosnia than were eligible — with a 103 percent turnout.

The report was significant because the margin of victory in the race for who will lead Bosnia's three-member presidency, grouping a Croat, a Muslim and a Serb, went to the Muslim leader, Alija Izetbegovic, over Momcilo Krajisnik, a nationalist Serb, by only 41,000 votes. Crisis Group officials and UN experts estimated that hundreds of thousands of votes were cast illegally.

But the OSCE's Provisional Election Commission, led by an American diplomat, Robert Frowick, ruled against a recount, saying such a move was "neither practical nor necessary," said Nicole Szulc, an OSCE spokeswoman.

She said the number of potentially fraudulent ballots was "only a handful" and would not have affected the outcome of the election.

Luca Bruno/The Associated Press

MARCHING SEASON — Workers parading through central Milan Friday as unions representing 1.6 million industrial workers struck Italian businesses in support of demands for salary increases.

Armenian Troops Impose Calm in the Capital

Compiled by Our Staff From Dispatches

YEREVAN, Armenia — Troops and armored vehicles enforced a tense calm in Yerevan on Friday, a day after the government rounded up opposition leaders in connection with violent anti-government protests.

A government official said Friday that several dozen opposition activists had been arrested since Thursday.

Soldiers on Thursday also beat demonstrators who tried to stage rallies to protest President Levon Ter-Petrosyan's re-election, witnesses said.

His opponent, Vazgen Manukian, whose supporters took to the streets Wednesday and clashed with riot police outside Parliament, has accused Mr. Ter-Petrosyan of rigging the election, in which international observers noted several irregularities.

Scuffles erupted on the Parliament floor Thursday after the pro-government body stripped legal immunity from eight opposition lawmakers accused by the government of plotting a coup. Six of the deputies were subsequently arrested, but three were released Friday.

As a presidential candidate, Mr. Manukian has immunity from arrest until Sunday. Mr. Manukian, a former prime minister, contends he won Sunday's election. But unofficial results gave Mr. Ter-Petrosyan 52 percent of the votes compared with 41 percent for Mr. Manukian. Mr. Ter-Petrosyan cleared the 50 percent barrier required to avoid a second-round runoff.

But Mr. Manukian's supporters claim the government used fraud to ensure that Mr. Ter-Petrosyan's vote total topped the 50 percent mark.

The streets of Yerevan remained tense Friday, with soldiers blocking off main streets and squares. Two independent radio stations that went off the air Wednesday night were still not broadcasting.

Three days of opposition-led demonstrations erupted in violence Wednesday, when security forces clashed with protesters from a crowd estimated at 40,000 at the Parliament building. Both government and the opposition said 59 people were hurt. *(AP, Reuters, AFP)*

Ex-Spy Denies Role in Slaying Of Olof Palme

Compiled by Our Staff From Dispatches

JOHANNESBURG — A former spy denied Friday that he was involved in the assassination of Prime Minister Olof Palme of Sweden, and South Africa said it had no evidence to substantiate the allegation.

A former police colonel convicted of killing anti-apartheid activists told a judge at a sentencing hearing Thursday that a secret operation headed by the former spy, Craig Williamson, was linked to the 1986 killing of Mr. Palme.

Mr. Williamson, speaking from Luanda, the capital of Angola, where he has interests in the diamond industry, said Friday that it was an old allegation. "The story is an old one. It was published in a Swedish newspaper in, I don't know, 1988 or something. I denied it then and I deny it now," he said.

Mr. Williamson's fellow agent, Eugene de Kock, former head of a police hit squad, told a court in Pretoria that the slaying was part of a Williamson project called "Operation Long Reach."

Mr. de Kock said he had first-hand information that Mr. Williamson was involved in killing the Swedish prime minister, a staunch supporter of the African National Congress, then a banned liberation movement, but now ruling the country.

Mr. Williamson said he would reject Mr. de Kock's charges before South Africa's Truth and Reconciliation Commission shortly.

"The man either has a hidden agenda, or if he actually believes what he is saying, then he is nuts. The system has made him what he is," Mr. Williamson said.

Mr. Williamson said he had known Mr. de Kock well when they were both involved in police anti-guerrilla operations in southern Angola in the 1980s.

The South African Department of Foreign Affairs said in a statement that it had no information to substantiate the "extraordinary allegation" by Mr. de Kock. It also said it had never been approached by the Swedish government about the allegation.

But Deputy Foreign Minister Aziz Pahad said: "We are waiting for fuller details. It has serious implications for our foreign policy but we would like to substantiate these allegations."

A member of the attorney-general's staff, Antoinette de Jager, said her office would conduct a full investigation of Mr. de Kock's allegations.

Mr. de Kock named Mr. Williamson while testifying for sentence leniency in his murder trial. He has been convicted of six murders and other crimes.

In Stockholm, the head of the Palme murder investigation said Sweden might send detectives to South Africa to interview Mr. Williamson.

"The fact that de Kock is the former head of the South African security forces lends a different type of credibility to his story," Solveig Riberdahl said. *(AP, Reuters)*

Bundesrat Votes to Join Move to Berlin

Reuters

BONN — Germany's upper house of Parliament, the Bundesrat, voted Friday to join the government and the lower house, the Bundestag, when they move to Berlin, the capital of unified Germany, in 1999.

Thirteen of Germany's 16 regional states represented in the Bundesrat backed the proposal to move to Berlin, despite some angry criticism from regional leaders in the Bonn area. The vote reversed a narrow decision, made five years ago, to remain in the sleepy Rhineside city of Bonn.

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Portrait of a 'Sleeper' for the IRA

By Warren Hoge
New York Times Service

LONDON — Diarmuid O'Neill was tall with ginger hair and a shy manner that prompted friends to refer to him as a "gentle giant."

The 27-year-old, who went by the name of Dermot, the Anglicized version of his first name, dabbled in cabinetmaking and carpentry in the West London neighborhood where he was born and where he attended London Oratory, a highly regarded Catholic school.

"He went through school keeping his head down," John McIntosh, the school's principal, recalled. "He was just a very pleasant boy who was never in trouble."

He had a passion for candy, and Sunday night, the last time he was seen alive by his neighbors, he had gone to the corner store just before it closed at 10 P.M. to buy two bars of chocolate. Tina Joval was behind the counter and remembers that he was unshaven and looked tired. "I assumed he had been working too hard," she said. Six hours later, members of a special counterterrorism police force stormed the nondescript brick building where he lived, threw tear-gas canisters into his second-floor back apartment and shot him six times as he stood in the doorway.

Mr. O'Neill, police say, was a "sleeper" for the Irish Republican Army, a person whose background and demeanor enabled him to go unnoticed in England and better help the clandestine organization in its bombing campaign.

Sleepers have become more valuable than ever to the IRA in recent years as it has increasingly targeted England for its attacks. The organization has not conducted bombing in Northern Ireland in more than two years.

British and Irish security officials estimate there are about 50 sleepers in England now. Often they are Irish from Ireland who blend in with some 8 million Irish-born and first-generation Irish already here.

"They are more or less the same, your run-of-the-mill guys," a senior member of the intelligence services in Northern Ireland told the Press Association news agency in Belfast.

"In their late teens, early 20s, totally committed, aware of all the surveillance techniques and our ability to penetrate the organization. No big drinkers, and they know when to keep their mouths shut.

"He doesn't have to be a laborer. University student, teacher, anybody, but he must slip in without any fuss and the more impersonal the area, the better — many flats where there is a large turnover and where nobody is really bothered about who lives above or below. He stays as anonymous as possible."

When the coded call comes, they are expected to spring into action and then melt back into daily life.

They are not new. The Irish author Brendan Behan was a sleeper when he was arrested and sent to a reformatory in Liverpool in 1939 for possessing explosives, an event that led to his novel "Borstal Boy."

Nor is Mr. O'Neill the first to lose his life in this line of work.

Last February, Ed O'Brien, a 21-year-old sleeper from County Wexford, died when a bomb he was carrying on a London bus blew up.

And the sleepers have become more vulnerable since Scotland Yard and MI5, the British internal security service, combined forces in 1991 to track down IRA operatives and better penetrate their organization.

The police say Diarmuid O'Neill came to their attention in 1989 when he was caught swindling $25,000 from a London branch of the Bank of Ireland he was working at and depositing it in a Dublin account of the IRA. He served six months of a one-year sentence for fraud and then resumed his unremarkable life.

Friends say he liked to visit his parents near Cork and that he talked about how much he preferred life there to life in London. But he is said to have steered clear of any political declarations.

Neighbors in Hammersmith said they were stunned by the revelation that the quiet young man they knew was an IRA agent. "You used to hear Irish music in the house," one of them said, "but otherwise they were just like any other Londoners."

BRIEFLY EUROPE

Perry Rebuffs Baltics

RIGA, Latvia — The U.S. defense secretary, William Perry, on Friday said openly for the first time what had only been whispered privately in the past: the Baltic countries are not ready for NATO.

Five years after they quit the former Soviet Union, the Baltic states of Latvia, Lithuania and Estonia are eager for NATO security promises to guarantee their independence after centuries of Russian domination.

But Mr. Perry said after a meeting of NATO defense ministers in the Norwegian town of Bergen on Friday that he did not think the Baltics were ready to be members of the North Atlantic Treaty Organization. He left them some hope by stressing the "not yet" and suggesting that they could one day join the Atlantic alliance.*(Reuters)*

Madrid's 'Dirty War'

MADRID — Spain's Supreme Court moved a step closer Friday toward opening secret files on the so-called dirty war against Basque separatists that could implicate the former prime minister, Felipe Gonzalez.

The court admitted part of an appeal by victims' families against the decision by the current conservative government to keep the documents secret. The appeal, if successful, would allow judges to deepen their investigation into allegations that Socialist officials oversaw a death squad campaign against Basque rebels that killed 27 people between 1983 and 1987. *(Reuters)*

A PR Effort for Swiss

ZURICH — A leader of the Swiss business establishment on Friday cited Winston Churchill's wartime praise of Switzerland in an international ad campaign intended to restore the country's image after accusations that it dealt extensively with the Nazis before and during World War II.

Winterthur Schweizerische Versicherungs-Gesellschaft, the country's second-biggest insurer, took a full-page advertisement in the Financial Times reminding the paper's global audience of Mr. Churchill's praise for the Swiss.

Swiss businessmen generally have acknowledged that they badly underestimated the storm of criticism over charges that secretive Swiss banks and other firms dealt extensively with the Nazis and then later covered it up. *(Reuters)*

Mafia Treasure Found

PALERMO, Sicily — The police said that they had unearthed a trove of gold and precious jewels stashed away by the Mafia's jailed boss, Salvatore Riina.

Investigators said the cache, worth at least $1.3 million, had been hidden under the floor of an apartment in Castelvetrano, near the western Sicilian city of Trapani. The haul included up to 40 kilograms (90 pounds) of gold bars, 300 gold sovereigns, several gold watches, diamonds, blank passports and a huge gem-encrusted crucifix. *(Reuters)*

RELIGIOUS SERVICES

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NICE: Holy Trinity, (Anglican/Episcopalian), 11 rue de la Buffa. Sunday Eucharist at 11 a.m.; Weekdays as on notice board. **VENCE:** St-Hugh's, ave. de la Résistance: Sunday Eucharist at 9 a.m. Contact Father Kon Letts 93 87 19 83.

MUNICH

INTERNATIONAL COMMUNITY CHURCH. Evangelical Bible Believing services in English 4:30 p.m. Sundays at Enhuberstr. 10 (U2 Theresienstr.) (089) 850-8617.

PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH - An evangelical church in the western suburbs, all are welcome. 9:45 First Service concurrent with Sunday School, 11:00 Second Service with Children's Church. French Service 6:30 p.m. 56, rue des Bons-Raisins, 92500 Rueil-Malmaison. For info, call 47.51.29.63.

HOPE INTERNATIONAL CHURCH Hotel Orion at Paris-la-Défense. 8 bd. de Neuilly. Worship Sundays 9:30 a.m. Rev. Dougas Miller, Pastor. Tel.: 43.33.04.06. Metro 1 to la Defense Esplanade.

SAINT JOSEPH'S CHURCH (Roman Catholic). MASS IN ENGLISH: Sat. 6:30 p.m.; Sun. 9:45, 11:00 a.m., 12:15, 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel.: 42.27.28.56. Metro: Charles de Gaulle - Etoile.

ST. MICHAEL'S CHURCH (evangelical Anglican). Sundays 10:30 a.m. (with children's club and crechel and 6:30 p.m. Midweek study groups. Christ-centered fellowship in the heart of Paris. 5 rue d'Agueesseau, 75008. Tel: 47.42.70.88. Metro Concorde.

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Idabashi Stn. Tel.: 3261-3740. Worship Service: 9:30 a.m. Sundays.

TOKYO UNION CHURCH near Omotesando Subway Sta. Tel 3400-0047. Worship Services Sunday 8:30 & 11:00 a.m., SS at 9:45 a.m.

ZURICH-SWITZERLAND

ENGLISH-SPEAKING CATHOLIC MISSION: St. Anton Church, Minervastraße 63, near Kreuzplatz. Services conducted in English. Sunday Mass: 8:30 a.m. & 11:30 a.m. Services held in the crypt of St. Anton Church.

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

PARIS and SUBURBS

THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evensong. 23, avenue George V, Paris 75008. Tel.: 33/1 47 20 17 92. Metro: George V or Alma Marceau.

FLORENCE

ST. JAMES' CHURCH, Sun. 9 a.m. Rite I & 11 a.m. Rite II. Via Bernardo Rucellai 9, 50123, Florence, Italy. Tel.: 39/55 29 44 17.

FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Pfinz St. 22, 60323 Frankfurt, Germany. U1, 2, 3 Miquel-Allee. Tel: 49/69 55 01 84.

GENEVA

EMMANUEL CHURCH, 1st & 3rd Sun. 10 a.m. Eucharist; 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel.: 41/22 732 80 78.

MUNICH

THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School. Nursery Care provided. Seybothstrasse 4, 81545 Munich (Harlaching). Germany. Tel.: 49/89 64 81 85.

ROME

ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rite I; 10:30 a.m. Choral Eucharist Rite II; 10:30 a.m. Church School for children & Nursery care provided; 1 p.m. Spanish Eucharist. Via Napoli 58, 00184 Rome. Tel.: 39/6 488 3339 or 39/6 474 3589.

BRUSSELS/WATERLOO

ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 563 Chaussée de Louvain, Ohain, Belgium. Tel. 32/2 384-3556.

WIESBADEN

THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel.: 49/611.30.68.74.

EUROPEAN BAPTIST CONVENTION

BERLIN

LB.C., BERLIN. Rothenburg Str. 13, (Steglitz). Bible study 10.45, worship at 12.00 each Sunday. James Hetlin, pastor. Tel.: 030-774-4670.

BREMEN

LB.C., Hohenlohestr. Hermann-Bose-Str. Worship Sun. 17:00, Pastor telephone: 04791-12877.

BUCHAREST

I.B.C., Strada Popa Rusu 22. 3:00 p.m. Contact Pastor Mika Kemper, Tel. 312 3980.

BUDAPEST

I.B.C., meets at Morics Zsigmond Gimnázium, Torokvesz ut 48-54, Sun. 10:00. Tel. 250-3932.

BULGARIA

I.B.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 669 666.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP, Sodenerstr. 11-18, 63150 Bad Homburg. A friendly, Christ-centered, church serving the English-speaking community. Sunday Worship, S.S. & Nursery 09:45. Weekday Groups. Pastor: M.P. Lévey. Call 06172-62728.

BETHEL I.B.C. Am Dachsberg 92 (English). Worship Sun. 11:00 a.m. and 6:00 p.m. Tel.: 069-549559.

HOLLAND

TRINITY INTERNATIONAL invites you to a Christ centered fellowship. Services: 9:00 and 10:30 a.m. Bloemcamplaan 54, Wassenaar 070-517-8024 nursery prov.

NICE - FRANCE

I.B.C. 13 rue Vernier. English service, Sunday evening 18:30, pastor Roy Miller - Tel.: (093) 320 598.

PRAGUE

I.B. FELLOWSHIP, Vinohradska # 69, Prague 3. Sun. 11:00. Tel.: (02) 311 7974.

WATERLOO

WATERLOO BAPTIST FELLOWSHIP Sun. 18:00 at Swedish Church, across from MacDonalds, Tel.: (02) 353 1585.

ZURICH - SWITZERLAND

I.B.C of Zürich, Gheistrasse 31, 8803 Rüschlikon, Worship Services Sunday mornings 10:30. Tel.: 1-4810018.

ASSOC. OF INT'L CHURCHES

BERLIN

AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

FRANKFURT

TRINITY LUTHERAN CHURCH, Nibelungen Allee 54, Sun. Worship 11 a.m. Tel.: 069/956-31066 or 512552.

GENEVA

EV. LUTHERAN CHURCH 20 rue Vardaine. Sunday worship 9:30. In German 11:00 in English. Tel: (022) 310.50.89.

JERUSALEM

LUTHERAN CHURCH of the Redeemer, Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel.: (02) 6281-049.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

VIENNA

VIENNA COMMUNITY CHURCH, Sunday worship in English 11:30 A.M., Sunday school, nursery, international, all denominations welcome. Dorotheergasse 16, Vienna 1.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2825525.

TRAVEL UPDATE

Transport Strike Fizzles in Paris

PARIS (AP) — A one-day strike aimed at disrupting bus and subway service in Paris largely fizzled Friday. Protesters did manage to stop trains in southern and northwestern regions of France.

Trains were unable to leave Marseille, stranding thousands of commuters. In Toulouse, regional service was halted, and runs by high-speed trains to Paris, Bordeaux and Marseille were reduced. In Normandy, service was halted out of Rouen.

The next nationwide demonstrations are scheduled Oct. 17.

A rail shuttle link that will cut traveling time between Turin and Paris by 85 minutes was inaugurated Friday. The run will now take five hours and 20 minutes. It will also cut one hour off the Milan-Paris journey, making it six hours and 40 minutes. *(Reuters)*

Correction

The obituaries of William Vaughn and Leon Lipson that appeared in Friday's editions incorrectly stated the dates of their deaths. Both died on Sept. 20.

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.

North America

Sunny, warm and dry across the Southwest. Pleasant in the southern Plains with plenty of sunshine, but the northern Plains will be cool with some showers. Showers in New England Sunday will be followed by sun, while Philadelphia and New York will be sunny, mild and breezy.

Europe

Mild with some sunshine in London Sunday, then windy and turning cooler with showers. Sunny and nice Sunday and Monday in Paris and Berlin, then cooler with showers Tuesday. Very warm in Spain, but quite cool in southern Russia; there may be heavy rains from the Crimea to Turkey.

Asia

Typhoon Yates could bring heavy rains to Taiwan Sunday and may pass close to Okinawa late Sunday and Monday. Warm with a thunderstorm in Beijing Sunday, then cooler through Tuesday. Tokyo will be partly sunny, dry and mild, but heavy rains are likely from southern Vietnam to Thailand.

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	30/86	19/66 s	29/84	20/68 s
Amsterdam	14/57	12/53 c	19/64	13/55 r
Athens	29/84	17/44 t	22/71	6/43 pc
Athens	22/71	14/57 pc	21/70	12/53 c
Barcelona	21/70	14/57 s	22/71	17/62 s
Belgrade	17/62	7/44 c	18/61	7/44 c
Berlin	16/61	9/48 c	15/61	10/50 sh
Brussels	14/57	11/52 s	19/66	14/57 c
Budapest	18/64	7/44 c	19/64	9/48 pc
Copenhagen	13/55	9/48 pc	13/55	12/53 r
Costa Del Sol	28/82	17/62 s	28/82	19/66 s
Dublin	14/57	14/57 r	17/63	12/53 r
Edinburgh	13/55	13/55 r	15/61	7/44 c
Florence	22/71	11/52 pc	18/66	12/53 pc
Frankfurt	16/61	8/48 o	16/61	12/53 r
Geneva	14/57	6/43 pc	16/64	12/53 pc
Helsinki	10/50	2/35 c	9/48	5/41 r
Istanbul	19/66	11/52 r	20/68	15/59 pc
Las Palmas	28/82	23/73 pc	29/84	22/71 s
Lisbon	27/80	19/66 s	28/82	19/66 s
London	17/62	13/55 o	19/66	13/55 pc
Madrid	31/88	14/57 s	31/88	15/59 s
Mallorca	21/70	14/57 s	21/70	15/64 s
Milan	20/68	8/46 pc	21/70	13/55 pc
Moscow	8/46	-3/27 s	8/43	-3/27 s
Munich	13/55	6/43 c	12/53	6/46 r
Nice	22/71	13/55 pc	22/71	17/62 pc
Oslo	12/53	9/48 c	13/55	6/46 r
Paris	17/61	10/50 pc	17/70	14/57 o
Prague	15/59	7/44 c	14/57	8/48 o
Reykjavik	9/48	7/44 r	9/48	5/43 r
Rome	29/71	12/53 pc	28/79	15/61 s
St. Petersburg	8/46	1/34 o	8/46	2/35 o
Stockholm	11/52	8/46 r	13/55	7/44 c
Strasbourg	18/61	9/48 c	19/66	13/55 o
Tallinn	11/52	3/37 c	9/48	5/43 r
Venice	21/70	8/46 pc	18/64	12/53 c
Vienna	17/62	9/46 pc	17/62	11/52 pc
Warsaw	13/53	5/41 r	14/57	9/48 c
Zurich	13/55	8/46 c	17/62	11/52 c

Middle East

Abu Dhabi	39/100	23/73 s	39/100	22/71 s
Beirut	29/84	20/68 s	24/75	19/66 s
Cairo	36/97	19/66 s	32/89	18/64 s
Damascus	34/93	14/57 s	29/84	14/57 pc
Jerusalem	31/88	15/59 s	27/80	14/57 pc
Luxor	42/107	19/66 s	42/107	18/64 s
Riyadh	39/102	19/66 s	41/106	21/70 s

North America

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Anchorage	6/43	-4/25 pc	4/39	-2/28 pc
Atlanta	23/73	13/55 t	23/73	14/57 pc
Boston	23/73	16/61 c	23/73	14/57 r
Chicago	15/59	8/46 pc	17/62	7/44 pc
Dallas	26/79	11/52 s	27/80	14/57 s
Denver	23/73	7/44 s	26/79	7/44 s
Detroit	17/62	8/46 c	17/62	7/44 c
Honolulu	31/88	23/73 pc	32/91	24/75 pc
Houston	29/84	13/56 s	29/79	15/59 s
Los Angeles	29/84	17/62 s	31/88	18/61 s
Miami	31/88	24/75 pc	32/89	25/79 pc
Minneapolis	15/59	8/46 pc	13/55	2/36 sh
Montreal	21/70	11/52 r	20/68	14/57 r
Nassau	31/88	24/75 pc	32/89	24/75 pc
New York	23/73	18/64 pc	23/73	17/62 pc
Orlando	32/89	21/70 pc	29/84	22/73 pc
Phoenix	39/97	21/70 s	38/97	22/71 s
San Fran.	26/79	13/55 s	24/75	13/55 s
Seattle	24/75	12/53 s	23/73	10/50 pc
Toronto	20/68	10/50 r	19/66	10/50 pc
Vancouver	18/65	11/52 pc	19/66	9/48 pc
Washington	24/75	16/61 c	23/73	16/61 r

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hol, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Bali	31/88	21/70 s	31/88	22/71 pc
Bangkok	33/93	26/79 r	33/91	26/79 r
Beijing	27/80	14/57 pc	25/79	11/52 pc
Bombay	29/84	24/75 t	30/86	23/73 c
Calcutta	29/84	24/75 r	29/84	24/75 sh
Chiang Mai	31/88	23/73 r	32/89	23/73 r
Colombo	28/82	25/77 t	28/82	24/75 c
Hanoi	31/88	24/75 pc	31/88	26/79 pc
Ho Chi Minh	31/88	24/75 sh	32/89	25/77 s
Hong Kong	30/86	23/73 pc	29/84	25/77 pc
Islamabad	37/99	21/70 s	34/93	19/64 r
Jakarta	32/89	22/71 pc	31/88	23/73 pc
Karachi	32/89	22/71 s	32/89	22/71 s
K. Lumpur	32/89	23/73 t	31/88	23/73 t
K. Kinabalu	27/80	22/71 r	30/86	21/70 c
Manila	31/88	25/77 t	32/89	25/77 c
New Delhi	37/99	23/73 s	34/93	21/70 r
Phnom Penh	29/82	24/75 r	31/88	25/77 c
Phuket	30/86	26/79 r	30/86	25/77 r
Rangoon	29/84	26/79 sh	33/91	26/79 r
Seoul	28/79	12/53 pc	25/77	14/57 s
Shanghai	27/80	20/68 s	26/79	20/68 pc
Singapore	29/84	24/75 t	31/88	23/73 pc
Taipei	29/84	24/75 r	29/84	23/73 c
Tokyo	23/73	12/53 s	23/73	16/61 pc
Vientiane	30/86	24/75 pc	31/88	26/79 pc

Africa

Algiers	28/82	13/55 s	27/80	16/61 s
Cape Town	26/79	11/52 pc	22/71	8/48 pc
Casablanca	22/89	22/71 s	32/89	22/71 s
Harare	25/84	13/55 s	28/82	13/53 pc
Lagos	28/82	23/73 pc	28/82	22/71 pc
Nairobi	24/75	13/55 r	27/80	13/53 pc
Tunis	24/75	14/57 pc	24/75	14/57 pc

Latin America

Buenos Aires	19/66	6/43 pc	18/64	7/44 pc
Caracas	32/89	23/77 pc	33/91	26/79 pc
Lima	20/68	15/59 c	20/68	16/61 pc
Mexico City	23/73	12/53 pc	23/73	13/55 pc
Rio de Janeiro	26/79	19/66 pc	24/75	18/66 pc
Santiago	24/75	7/44 s	27/80	12/53 s

Oceania

Auckland	19/66	12/53 c	13/55	7/44 t
Sydney	20/68	19/66 r	24/75	11/52 r

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Direct Evidence of AIDS Immunities Grows

By Gina Kolata
New York Times Service

NEW YORK — Scientists have long suspected that some people might be immune to the AIDS virus. But now they are accumulating powerful, direct evidence of the extent and strength of such immunity, and many researchers are stunned.

The most recent study, published Friday in the journal Science, provides the most detailed and convincing evidence yet that 1 in 100 whites have complete immunity to infection by the AIDS virus and 1 in 5 whites have inherited a resistance to the progress of AIDS once infected with the virus.

Almost no blacks have the particular protective mutation investigated in this study, but scientists say that other forms of genetic immunity almost certainly exist in both blacks and whites. The findings raise numerous questions and offer remarkable opportunities for research, scientists say. Among the puzzles are why some ethnic groups have such a mutation and others do not, how and when this mutation arose and what other genetic variants exist that protect against AIDS.

One of the study's surprises was that of 1,850 people, all of whom were at risk for infection, about 600 never became infected with HIV, the virus that causes AIDS. Since only 17 of them had the mutation identified as prevalent in whites, presumably the other people had some other form of genetic protection.

"The number that's impressive is the 1 in 5" who are resistant to the AIDS virus, said Dr. Michael Kaback, a geneticist at the University of California at San Diego. "Now you're getting up into the frequencies of blood group types or genes for eye colors," he said.

A double dose of the mutated gene, called CKR5, confers complete immunity to AIDS, the researchers said. People who have inherited a single dose of the mutated gene can become infected with HIV, but AIDS progresses more slowly and they live on average three years longer than people without the mutated gene.

In addition, the researchers found that much more genetic resistance was still to be understood. Although blacks, for example, virtually never have the mutated gene, they may have other genes that confer resistance to AIDS. The discoveries are making researchers ask why genes that confer resistance to AIDS are so common. Usually a mutation that knocks out a gene would disappear from a population. It would become common only if it conferred a survival advantage.

Ricky Rogers/Reuters

BOLIVIAN FACE-OFF — A protester confronting riot police who blocked a march on the Presidential Palace in La Paz. Thousands of peasants and native people were protesting an agrarian reform law.

Mexican Probe Of Graft Ends Inconclusively

By Molly Moore
Washington Post Service

MEXICO CITY — A Mexican legislative committee investigating what has been described as one of the biggest government corruption scandals in the country's recent history has ended its 10-month inquiry with no major accusations, prompting charges that the governing party is attempting to cover up potentially explosive revelations.

The investigative panel — only the second in the history of the country's national assembly — issued its final report Thursday, all but ignoring the primary targets of its investigation, including Raul Salinas, the brother of a former president.

The panel also dismissed the most critical allegations of wrongdoing in a scandal that opposition lawmakers and the Mexican press have linked to the highest levels of government.

"It's illegal and immoral," said an independent legislator, Adolfo Aguilar Zinser, who stormed out of the final closed-door committee hearing in frustration. Referring to the governing party, he said "This just shows the PRI is not going to let the Congress investigate the skeletons in its closet."

Mr. Aguilar and other critics charge that the committee's weak report, despite its access to thousands of boxes of documents, only serves to buttress public opinion that the Institutional Revolutionary Party is rife with corruption but is doing little to clean its house despite the claims of President Ernesto Zedillo.

ELECTION NOTES

Feminists Move Up

WASHINGTON — After 75 years of exile, a statue of three women suffragists is to rise from the Capitol's crypt into the sunlight of the rotunda, according to a resolution approved by the House of Representatives.

By placing the nine-ton statue in the Capitol's most prestigious hall, Congress will be breaking more than the all-male lock on rotunda statuary. It will end a controversy that began in 1921 — a year after women obtained the vote — when Congress, then an all-male body, welcomed the marble rendering of Lucretia Mott, Susan B. Anthony and Elizabeth Cady Stanton with speeches and garlands, then quickly dispatched it to a downstairs storeroom, officially called the crypt.

The resolution adopted Thursday night had strong bipartisan backing in both the House and Senate, which passed it last year. On Friday, the Senate was expected to renew its authorization. *(NYT)*

Dole Cabinet Now?

WASHINGTON — Everyone knows who Bill Clinton chose to run the government as president. So why shouldn't they get a sneak peek at Bob Dole's presidential organizational chart?

Maybe they will. Officials in the Republican candidate's campaign are considering having Mr. Dole disclose before the election whom he would like to name to the cabinet should he become president.

A candidate has never revealed his cabinet in advance. But a Dole cabinet-in-waiting would presumably demonstrate a moderate brand of conservatism, reassuring voters who fear the far right, and raise the profile of a campaign that so far has not grabbed the electorate by its lapels.

And naming a cabinet now would no doubt permit Mr. Dole to whisper, over and over, three little words that America supposedly longs to hear: General Colin Powell, General Colin Powell, General Colin Powell. *(NYT)*

When Debate Is Lost

WASHINGTON — Hundreds of journalists who cover presidential politics soon will get a package in the mail stuffed with freebies: a tote bag, T-shirt, buttons, a lapel pin and a sheaf of handouts, all promoting St. Louis and its Washington University as the site of the campaign's first presidential debate.

One small problem: St. Louis is not a debate site any more. The Clinton and Dole camps agreed to drop Washington University during negotiations this month.

Officials of Anheuser-Busch Cos., which donated $500,000 to help stage the event and attendant affairs in St. Louis, are discussing the fate of the gift with officials of the Commission on Presidential Debates. The university — which was soundproofing its 4,000-seat arena, laying power cables and pumping up the air-conditioning — is taking matters in stride. "This is politics," said Fred Volkmann, the vice chancellor for public affairs. "What we're really out is a lot of time and a lot of volunteer work." *(NYT)*

Quote/Unquote

Bob Dole, describing the genesis of his economic package: "What we've had is sort of a marriage here between some on the far — not on the far, but some of the supply-side area — and some of the deficit hawks." *(NYT)*

Away From Politics

• **Three police officers** stormed a U.S. Air jetliner at Nashville, Tennessee, and subdued a man who had tried to hijack the plane as it flew from Las Vegas to Charlotte, North Carolina. Danny Christopher Walters, 25, of Clarkton, North Carolina, whose motive was not immediately clear, was taken into custody. *(AP)*

• **Technical experts investigating the crash** of Trans World Airlines Flight 800 say they are growing increasingly worried that corrosion from salt water may have erased from metal wreckage the critical evidence investigators say they must find to show whether the plane was brought down by a bomb, a missile or mechanical failure. *(NYT)*

• **A computer hacker**, Kevin Mitnick, who was the subject of a nationwide manhunt, was charged in Los Angeles with a multimillion-dollar software-stealing spree during his nearly three years as a fugitive. *(AP)*

• **Police relations with blacks** in the nation's cities have improved little since the restive 1960s, with no simple solution in sight, police chiefs and black leaders from around the country were told by Lawrence Boze, president of the National Bar Association, a group of 18,000 black lawyers, at a Houston conference. *(AP)*

Income Up and Number of Poor Down

By Steven A. Holmes
New York Times Service

WASHINGTON — U.S. household income rose in 1995 for the first time in six years, the Census Bureau has reported, as the number of poor Americans dropped by more than 1.6 million and reached historic lows for blacks and the elderly.

The bureau said that half the U.S. households had incomes of at least $34,074, an increase of 2.7 percent over the previous year.

The inflation-adjusted increase of $898 was the first rise in median household income since 1989, the year before the nation's last recession, and it was the largest increase in household earnings since 1986.

At the same time, the percentage of poor people dropped to 13.8, from 14.5 in 1994. It was the second consecutive year of a decline in the poverty rate. The report said that 29.3 percent of blacks in the United States lived below the poverty line in 1995. That meant that for the first time since 1959, when the Census Bureau started keeping such statistics — and probably the first time in history — the number of blacks under the poverty rate dipped below 30 percent.

Also for the first time, the number of the nation's elderly under the poverty rate dropped last year below the number for working-age people, making those 65 years of age and older the group with the lowest percentage of poor people.

The Clinton administration seized on the relatively rosy news contained in the report to praise its economic record. "Today it is clear that more and more of our people are sharing in that prosperity," President Bill Clinton said. "We are growing — and growing together."

But Bob Dole, Mr. Clinton's challenger, seized on some less encouraging news in the report: its finding that while household income has increased, earnings for both male and female full-time workers declined. This indicated that more people in a household are working or that wage earners are working at more than one job.

Mr. Dole said the bureau figures did not reflect the economic anxiety of Americans. He contended that the rise in household incomes stemmed primarily from more people working per household, rather than an increase in individual wages for full-time workers.

The improvements in household income and poverty rates were concentrated in the Midwest, a region that underwent a wrenching economic downturn in the early 1980s as such industries as steel and automobile manufacturing were downsized. Median household income increased by 7.2 percent in the Midwest, but rose only slightly in the Northeast, the South and the West.

In a reversal of what has been a long-term trend toward greater income inequality, the Census Bureau report said that the poor, the working class and the middle class increased their share of the nation's aggregate income, while the percent of total household income earned by the top 20 percent declined slightly, to 48.7 percent from 49.1 percent.

The report also noted a steep decline of 5.1 percent in income for Hispanic households.

The drop in Hispanic earnings contrasted sharply with the 2.2 percent rise in incomes for whites and the 3.6 percent increase in earnings for black households.

Whitewater 'Hawks' Prevail

By R. H. Melton
Washington Post Service

WASHINGTON — After months of silence about the Whitewater investigation, President Bill Clinton has decided to renew an offensive against the independent counsel, Kenneth Starr, that portrays him as a Republican partisan hell-bent on embarrassing the White House, senior aides said this week.

The president's criticism of the prosecutor, first fully aired this week in an interview with the Public Broadcasting System, reflects both a political calculation that it is time to strike back as well as his frustration with Mr. Starr's inquiry, which is now at a crucial juncture.

One of those delivering the message is a longtime Clinton aide, George Stephanopoulos, who said: "The investigation is flawed because of Starr's obvious partisan ties and his ties into tobacco," an industry that Mr. Clinton has been attacking forcefully in the presidential campaign.

Mr. Starr has been toiling for more than two years on the investigation, securing fraud convictions this spring against former business partners of the president and Hillary Rodham Clinton, but losing another high-profile trial against two bankers this summer who were major contributors to Mr. Clinton when he was the governor of Arkansas in the mid-1980s.

Mr. Starr declined to be interviewed for this article. But he shows no signs of veering from his central mission: using grand juries in Washington and Little Rock, Arkansas, to untangle the web of financial and political transactions that have come to be known as Whitewater.

White House staffers have been deeply divided over how to respond. One camp, including Mr. Clinton's main Whitewater lawyer, David Kendall, believed the inquiry was not resonating with voters as an electoral issue, and urged him to be silent.

Another, more hawkish group of advisers, including James Carville, a longtime political adviser, hoped to inoculate the president against possible leaks to news organizations or indictments of White House aides before the election. They called on him to take the fight openly to Mr. Starr. As of this week, the hawks have prevailed.

"We're prepared to respond," said a senior aide who asked not to be identified by name, "and responding means getting back to the problems that hurt Starr in the first place. We are going to specifically discuss Starr's work on behalf of the sworn enemies of the president."

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Burma Blocks Opposition Meeting

Police Detain 109 Activists and Bar Visits to Leader's House

Compiled by Our Staff From Dispatches

RANGOON — The police prevented a meeting of Burmese opposition leaders Friday by detaining 109 activists and blocking all roads leading to the house of the opposition leader Daw Aung San Suu Kyi, a senior government official said.

The 1991 Nobel Peace Prize laureate was not rearrested, he said.

"Altogether, 109 people have been called in for questioning and brought to local guest houses," said the official, who requested anonymity.

"How soon they are released will depend on the situation of the other side," the official said. "If everything is normal and quiet they could be released right away. If it is not right, it may be a few days."

The official said the ruling State Law and Order Restoration Council had decided to prevent Daw Aung San Suu Kyi's National League for Democracy from holding the meeting because the party had not sought government permission to hold it.

"The reason for preventing the meeting from taking place is because they invited more than 200 representatives, and a congress of this size needs prior consent of the authorities and they failed to do this," the official said.

The official asserted that the National League for Democracy was joining forces with foreign governments, including the United States, to hold the congress in an effort to undermine Burma's peace and stability.

He said the league and the United States had timed the meeting to coincide with discussions of a sanctions bill against Burma in the U.S. Congress, and the opening of the UN General Assembly.

In Washington, a State Department spokesman, Glyn Davies, said Thursday that the United States would "take very seriously any threat to rearrest Suu Kyi or prevent her from conducting what we consider legitimate political activity."

Legislation before the U.S. Congress would stop new investment in Burma if she is arrested.

Her party said Thursday that it was holding the meeting to celebrate its eighth anniversary.

The party, founded amid unprecedented protests against military rule in 1988, won a landslide victory in 1990 general elections, but the result was not recognized by the ruling military junta.

Daw Aung San Suu Kyi, daughter of Burma's revered independence leader, Aung San, was under house arrest at the time. The party congress was to have been the first time she would meet the elected representatives of the party as a group.

In May, the government detained more than 260 party delegates who had been planned to attend a similar congress. It released most of them after about 10 days, but several dozen of the delegates were charged and given prison terms.

On Friday, the government blocked University Avenue, the road that Daw Aung San Suu Kyi's house is on, to prevent anyone from visiting her.

A security police captain, Aung Aung, who was manning a checkpoint on the road, said the ban on visitors would last through Tuesday.

"She can go and come as she pleases; we don't restrict her. We only need to stop people from going to her house," he said.

Daw Aung San Suu Kyi, who was released from six years of house arrest in July 1995, could not be reached to comment. *(Reuters, AP)*

Vote Set Nov. 17 as Thai Leader Quits

Compiled by Our Staff From Dispatches

BANGKOK — Prime Minister Banharn Silpa-Archa dissolved Parliament on Friday and called early elections, putting an abrupt end to a week of political confusion and maneuvering.

King Bhumibol Adulyadej later issued a royal proclamation setting Nov. 17 as the date for fresh elections, state-owned Radio Thailand said.

"The process of selecting my successor could not take place smoothly," Mr. Banharn explained later in a television address. " And it is generally believed that a multiparty coalition government could lead to conflicts and political problems," Mr. Banharn said.

"I therefore see it appropriate to dissolve the house so as to return the important mandate of political determination to the people," he added.

Mr. Banharn, the country's 21st prime minister since the absolute monarchy was abolished in 1932, agreed last Saturday to step down under pressure from his coalition allies after a parliamentary no-confidence debate.

Mr. Banharn had said he would resign within a week and name his own successor. But he refused to appoint Defense Minister Chavalit Yongchaiyudh, favored by other members of his six-party coalition government, because of resentment over the major role Mr. Chavalit and others played in forcing his resignation.

Mr. Banharn's coalition partners had forced him to promise to resign in exchange for their support in the no-confidence vote last Saturday.

He won the vote, but told sources he was bitter at being forced out. Mr. Chavalit has sought the post since stepping down from the army command in 1990. *(AP, Reuters)*

BRIEFLY ASIA

Hashimoto Prepares For October Election

TOKYO — Prime Minister Ryutaro Hashimoto dissolved Parliament on Friday, setting the stage for national elections that may reconfigure Japanese politics.

Mr. Hashimoto's Liberal Democratic Party is expected to do well in the elections, which will be held Oct. 20, and most bets are that he will remain as prime minister. But his party may not win an absolute majority, meaning that he would have to form a new coalition, which could trigger a political realignment in Japan.

The elections are regarded as particularly important because they will be the first under a new voting system that is expected to mean the extinction of some small parties and a reduction in the importance of conservative rural voters. Under the new system, for the first time since 1924 Japanese will elect a single legislator from each district, as in the United States. *(NYT)*

North Koreans Warn The South Over Sub

TOKYO — North Korea warned Friday that rising tensions over the grounding of its submarine in South Korean waters last week may lead to war, and it suggested that it might have to attack the South.

The statement was extremely bellicose, but diplomats said such comments do not necessarily mean that clashes are likely any time soon. The North often makes angry public statements without doing anything more, and, in any case, it is extremely difficult to predict what the North will do.

The dispute broke out when a 325-ton North Korean submarine ran aground on Sept. 18, about 60 feet (18 meters) off the South Korean coast. About 26 North Koreans slipped ashore, armed with sidearms and machine guns, some disguised in South Korean military uniforms. *(NYT)*

Susumu Takahashi/Reuters

Mr. Hashimoto, upper right, as Parliament was dissolved Friday.

Japanese Struggle To Resolve Dispute

TOKYO — Japan says it is at a loss as to how to defuse a growing diplomatic crisis over disputed islands in the East China Sea.

"Do you have any suggestions? We're racking our brains," Seiroku Kajiyama, the government's chief spokesman, said Thursday.

Pressure on Tokyo to calm anti-Japanese sentiment in countries and territories that also claim sovereignty over the islands — known as the Senkakus in Japan and the Diaoyus in China — escalated after the death Thursday of David Chan, an activist leader from Hong Kong who drowned when he dived off a ship in a protest against the Japanese claims.

His death was the first in almost two months of protests in China, Hong Kong, Macau and Taiwan since Japanese right-wing extremists erected a lighthouse on one of the islands as a symbol of Japanese sovereignty. *(Reuters)*

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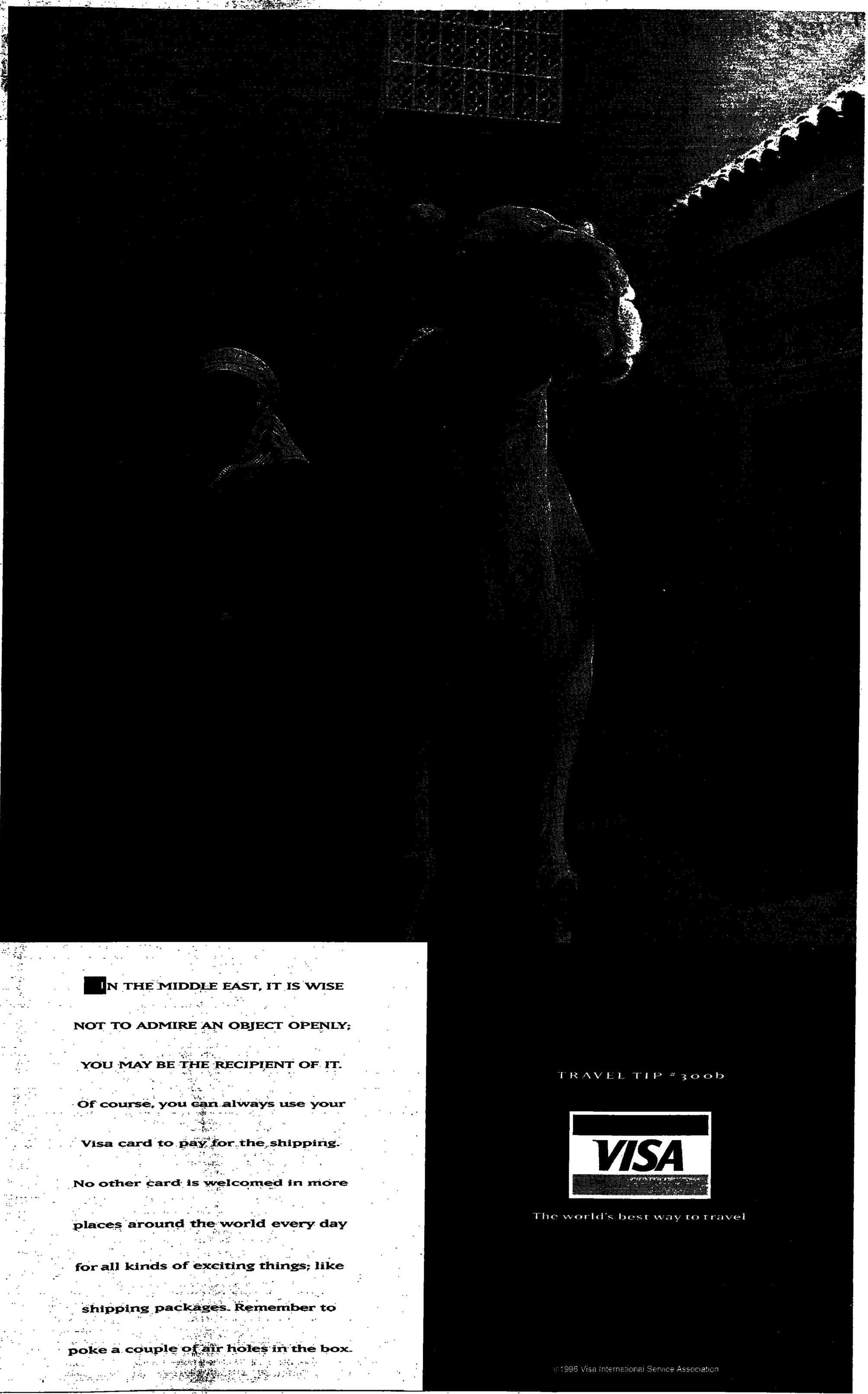

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From a Jerusalem Mosque, a Call to Arms to Defend the Faith

By Joel Greenberg
New York Times Service

JERUSALEM — Prayers at the Al Aqsa Mosque in Jerusalem's walled Old City began quietly enough on Friday morning.

Deadly violence was again spreading through the West Bank and Gaza Strip, but the third-holiest shrine of Islam seemed for a while to be an oasis of calm.

Groups of men, some with prayer rugs, sat silently outside the mosque on the broad stone plaza of the Temple Mount, known to Muslims as Haram al Sharif, the Noble Sanctuary.

They listened as loudspeakers carried a sermon denouncing Israel's opening of a tunnel nearby, which has enraged Palestinians, setting off three days of clashes with Israeli troops in which dozens of people have died.

"This tunnel is an aggression against Al Aqsa Mosque," the preacher said, echoing Palestinian claims that the underground path beside the Temple Mount undermines the foundations of the Muslim shrine. "Israel has assaulted our holy places, and we have a right to defend and save our religious sites," he continued. "To cover what it did, the Netanyahu government claims that it is promoting tourism, but it hopes to rebuild King Solomon's Temple. We have to come together to free our land. God help the martyrs and the wounded. Let us pray for their souls."

Outside the mosque compound, hundreds of Israeli riot policemen massed in a show of force to deter violent protests. Thousands were deployed in and around the Old City, and army checkpoints around Jerusalem barred entry to Palestinians from the West Bank.

So there were fewer worshipers than usual on this Friday, far less than the tens of thousands that sometimes pack the compound, spilling out of Al Aqsa and stretching well beyond the adjacent golden Dome of the Rock mosque.

Only a handful of Jews were at the Western Wall down below, Judaism's most revered shrine that is a remnant of the ancient wall around the Temple Mount. Other worshipers stayed away.

At about noon at Al Aqsa, Muslim men and women, in separate groups, formed rows for services. After the chant of a prayer leader, they bowed their heads to the ground, reciting Allah's name. The leader called for a final silent prayer for Palestinians killed in the recent violence.

As the worshipers finished their devotions, a crowd of teenagers surged toward the compound wall flinging rocks, a few of which sailed over to the now empty Western Wall area below.

Scores of riot policemen poured into the Temple Mount, hurling stun grenades and firing at youths who unleashed a barrage of stones at the oncoming troops. A pitched battle developed in front of Al Aqsa as the police overran the compound, spraying the retreating protesters with rubber bullets and tear-gas. In minutes, the area was littered with rocks and spattered with blood. Palestinian stretcher-bearers carried about a dozen bleeding men to a clinic near the mosque where medics bandaged and stitched their wounds. On the floor, a man whose arm was torn open screamed in pain as his wounds were dressed. More serious casualties were evacuated to Maqassed Hospital in East Jerusalem.

The hospital reported that three people were killed and 85 wounded in the clashes, although the police said that they had no knowledge of any fatalities, and that only 20 to 30 Palestinians were hurt, along with several policemen. Dr. Amim Thalji, the hospital director, said that X-rays showed that some of the wounded had been hit by live ammunition and others by rubber bullets, many of them in the head.

Mideast Violence Ensnares Clinton

By Thomas W. Lippman
Washington Post Service

WASHINGTON — The flare-up of violence in the Middle East has plunged the Clinton administration into a profound policy quagmire as it struggles to soothe Arab rage and salvage the Mideast peace process without getting into a public dispute with Israel before the U.S. presidential election.

American officials were privately furious at Israel's decision earlier in the week to order a new opening of an archaeological tunnel under the Temple Mount in Jerusalem — an act predictably likely to set off Palestinian rage — without telling the United States or the Palestinians in advance. Then the Americans were upset again when Prime Minister Benjamin Netanyahu rebuffed a request to reseal the tunnel, U.S. officials and diplomatic sources said.

But the administration has made a decision "not to play the blame game," said the State Department spokesman, Nicholas Burns.

"This is just a bloody mess," a State Department official said, adding, "the Israelis haven't been real cooperative." The comments reflected the widespread view — in the U.S. government, among diplomats and among independent analysts — that Israel provoked a conflict that threatens to sweep away many of the dramatic accomplishments in the peace process in the last three years.

"The situation is extremely disturbing," said Lee Hamilton of Indiana, senior Democrat on the House International Relations Committee. "The risk of course is that much of the progress that has been made is going to be undone very quickly."

Arab diplomats said that what they perceived as U.S. failure to press Israel to keep its commitments, combined with popular anger at U.S. missile strikes against Iraq earlier this month, had undermined the Clinton administration's standing throughout the Arab world.

"Everyone is upset," said Ambassador Azouz Ennifar of Tunis. "There is a feeling that the entire process is falling apart."

From the Clinton administration's point of view, the timing of the Israeli-Palestinian clashes could hardly have been worse. With six weeks to go in the presidential election campaign, Mr. Clinton faces the prospect of a blot on his foreign policy record.

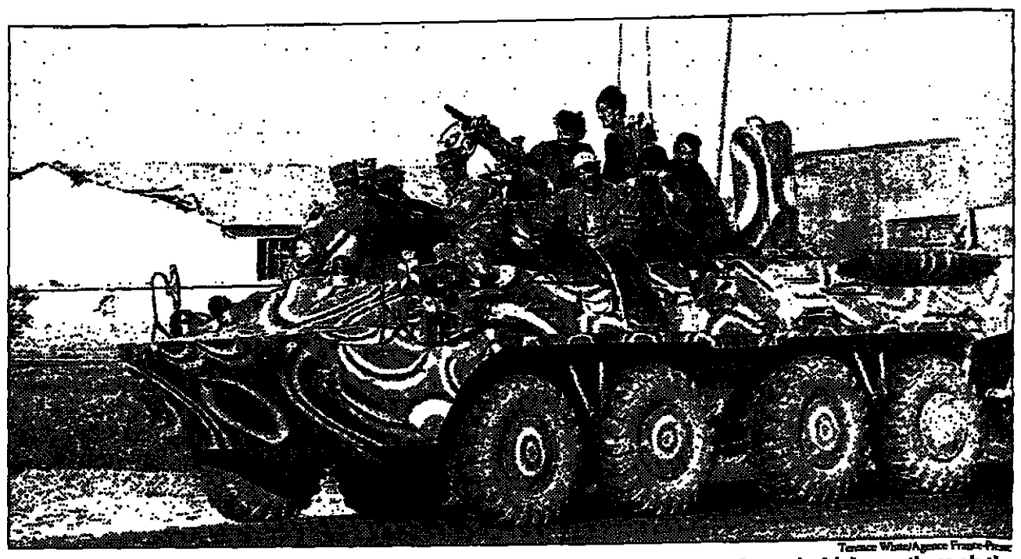
While American public opinion strongly supports Israel, several analysts said that the administration was vulnerable to accusations it failed to respond effectively to the anger and frustration building up among Palestinians since Mr. Netanyahu took office.

"This was all wildly predictable," said Richard Haas, a senior Mideast policymaker in the administration of President George Bush.

He and several other analysts said the tunnel incident was only a symptom of a more profound problem: Mr. Netanyahu's Likud government is less eager to embrace the Palestinians as partners than was the Labor government that signed the peace agreements.

Some analysts suggested that Mr. Christopher and other members of the administration's Middle East team had eased pressures on the Netanyahu government, but others, including Mr. Hamilton, said the administration now is following the proper course in pressing both sides equally to stop the violence.

The sudden recurrence of armed conflict provoked sharply different responses from U.S. Jewish groups. Those that supported the Labor Party and its drive for peace with the Arabs, including Peace Now and the Israel Policy Forum, said the Palestinian response was predictable. But the Anti-Defamation League and the American Zionist Committee said the violence was not justified by Israeli actions.



Tannen Wise/Agence France-Presse

Soldiers loyal to President Burhannddin Rabbani of Afghanistan riding down the main highway through the eastern suburbs of Kabul on Friday, as Taleban rebels entered the city. The president reportedly fled the capital.

CLASHES: *This Time, Palestinians Have Guns, Not Just Rocks*

Continued from Page 1

sides and any move there traditionally has provoked unrest. By sanctioning this week's show of strength in the Old City, Mr. Netanyahu in effect gave Mr. Arafat the weapon he needed to reassert his authority.

"He's given Arafat a golden opportunity on a silver platter," said Yosef Alpher, a strategic analyst who directs the American Jewish Committee's Israel office.

"This kind of move hits at the primeval fears of Muslims everywhere. It gives Arafat the perfect cause to rally his forces." Ironically, the one sphere in which cooperation between Israelis and Palestinians had continued despite the change in government was the military.

The Israeli Army and the Palestinian police had established cooperation and trust through continual meetings, joint patrols and the sharing of intelligence. Now that, too, is shattered.

The decision by Palestinian forces to open fire on Israeli soldiers — responding to the army's use of live ammunition against Palestinian civilians — is the critical new element.

"Both sides have been trying to redefine the rules of the game," said Itamar Rabinovich, a former ambassador to the United States and a member of the opposition Labor Party. "Now we are at a stage of mutual inflicting of pain and damage."

For Israelis, the clashes have the depressingly familiar ring of the *intifada*, the Palestinian uprising of 1987 to 1993 that led to the Oslo accord and the end of Israel's military occupation of most of the West Bank and Gaza.

But the difference is that during the intifada, Palestinians were mostly armed with makeshift civilian weapons, such as rocks, metal bars and gasoline bombs.

While Israeli soldiers and settlers living in the territories suffered casualties and occasionally were killed, the numbers were low compared with the thousands of wounded and dead Palestinians.

Today some 30,000 Palestinian paramilitary police are armed with automatic weapons. Israel's former leaders, Mr. Peres and Yitzhak Rabin, agreed to the armed Palestinian police force under Mr. Arafat's firm control, regarding the police force as the backbone of stability in territories that Israel had no intention of governing again.

More than a flag or a capital, the police were to be the centerpiece of an emerging Palestinian sovereignty and an insurance policy against Islamic radicals and other diehard opponents of Israel.

But the guns that were supposed to enforce the peace accord have now been turned against the Israelis.

KABUL: *Rebels Seize Capital and Proclaim an Islamic State*

Continued from Page 1

the capture of the eastern city of Jalalabad. They met little resistance from government troops. Shortly after dawn, thousands of Kabul residents ventured from their homes to find the bodies of General Najibullah and his brother.

The crowds apparently hoped the Taleban victory would end four years of factional wars and rocketing of the Afghan capital that has killed 30,000 residents and leveled huge areas of the city.

Russia voiced "alarm" at the capture of Kabul and the execution of General Najibullah, and Mikhail Gorbachev, the last Soviet leader, condemned as a "lynching" the killing of the man installed as Afghan leader in 1987 during the Soviet occupation of the country.

India said it would adopt a wait-and-see attitude toward the Taleban despite its mistrust of what it sees as Pakistani "interference" in the region and its concern that Islamabad might now turn its attentions to Kashmir.

Iran, also an Islamic republic, described the new situation in Afghanistan as a "disaster." Iran had supported the Kabul government as legitimate.

But Iran's media appeared to have toned down their criticism of the Taleban in the last few weeks, and Iranian officials have held talks with representatives of the militia.

A State Department spokesman said the United States hoped "the new authorities in Kabul will move quickly to restore order and security and to form a representative interim government that can begin the process of reconciliation nationwide."

The spokesman also said the United States deplored the execution of General Najibullah, as did France. Britain voiced concern over continued fighting, but withheld comment on the death of the former leader. *(AP, Reuters, AFP)*

NAVY: *East Asia Increasingly Turns to Seapower, a New Volatility*

Continued from Page 1

in Japan. "Hitherto a continental land power, China is beginning to develop a serious oceangoing navy," she said.

As more and more East Asian countries extend their maritime jurisdiction out to a distance of at least 200 nautical miles (370 kilometers) — as they are entitled to do when they ratify the United Nations' Law of the Sea Convention, which came into force in 1994 — conflicting claims have become a growing problem.

"Overlapping claims on offshore petroleum and gas resources are a particular concern," said President Fidel Ramos of the Philippines. "The importance of these resources may increase as East Asia's demand for energy grows, offshore production technology improves, and China becomes a much larger net fuel importer."

Japan already has a modern naval force that includes 55 frigates, many of them armed with missiles, 8 destroyers and 18 submarines. China has 32 frigates, 18 destroyers and 52 submarines, although many of them are older and less capable than the Japanese fleet.

Other East Asian countries modernizing and enlarging their navies include South Korea, Taiwan, Indonesia, Thailand, Malaysia and Singapore.

South Korea has 6 submarines, 7 destroyers and 33 frigates; Taiwan, 4 submarines, 22 destroyers and 16 frigates; Indonesia, 2 submarines and 13 frigates; Thailand, 10 frigates; Malaysia, 4 frigates and Singapore, 6 corvettes. Nearly all the warships are armed with Harpoon or Exocet anti-ship missiles.

South Korea is building more submarines, and said earlier this year that it would start building the first of a new class of 4,000-ton destroyers. Taiwan and Indonesia want to acquire more submarines while Thailand, Malaysia and Singapore have said they plan to start building submarine forces.

Susan Willett, senior research fellow at the University of London's Center for Defense Studies, said that Japan's military equipment was "among the most modern in the world" and could be quickly expanded because of the country's sophisticated industrial base.

She said that China, too, had recently increased its offensive level with the purchase of advanced combat aircraft from Russia and the modernization of its surface warships and submarines.

Mr. Dupont said that China had "embarked on a long-term plan to develop a blue-water navy that has the ability to project maritime power and compete with the U.S. Navy by the middle of the next century."

Malaysia — which has conflicting claims to ownership of several of the Spratly Islands in the South China Sea with China, Taiwan, Vietnam, the Philippines and Brunei — said this week that it would soon start building a major naval base in the state of Sabah, not far from the Spratlys it claims.

Thailand is due to take delivery of the region's first aircraft carrier from Spain in March at a cost of $360 million. The warship will be able to carry 12 vertical take-off and landing jets or 15 helicopters for maritime patrol and anti-submarine warfare.

A defense white paper published by Thailand's armed forces earlier this year said that East Asian countries were expanding their navies to protect offshore resources and sea lanes as well as guard against piracy, smuggling, illegal immigration and marine pollution.

ISRAEL: *Netanyahu Accuses Arafat of Stoking Palestinian Fury*

Continued from Page 1

shippers in Al Aqsa mosque," said Nabil Abu Rdainah, an adviser to Mr. Arafat.]

Mr. Netanyahu's news conference was held shortly after the most dramatic melee of the day, on Jerusalem's Temple Mount, the complex of mosques and Islamic holy places on the site of the destroyed Second Jewish Temple.

Large numbers of Israeli police in full riot gear had been mustered in anticipation of trouble after the regular Friday noon prayers.

When some Palestinian youths threw a few stones toward the police and over the wall at the Western Wall where Jews pray, the police charged in force, spewing tear gas, rubber bullets and, according to the Palestinians, live ammunition. The youths responded with more stones.

Palestinians said three of their men were killed and more than 50 were wounded, though the Israelis said they did not know of any dead.

Five Israeli policemen were hurt.

■ Clashes in West Bank

Witnesses reported stone-throwing and armed clashes at Rafah in the southern Gaza Strip and in the West Bank towns of Jenin, Bethlehem, Jericho and Tulkarm, news agencies reported. In the fiercest battle, Israeli helicopter gunships fired as rescue units tried to save soldiers under fire at an Israeli outpost in Gaza.

The helicopters fired into the town of Rafah, on the Gaza-Egypt border Friday, after an Israeli colonel was killed in a clash with Palestinian policemen and protesters. Medical sources in Rafah said that more than 40 Palestinians were wounded.

Security sources in Cairo said an Egyptian police lieutenant patrolling on the Egyptian side of the Rafah border was killed by fire from the helicopters.

The United States told Israel and the Palestinians that "the violence must stop," as Secretary of State Warren Christopher discussed the crisis with Israeli and Arab foreign ministers at the United Nations in New York.

Palestinians asked the UN Security Council to demand the permanent closing of the tunnel and send a fact-finding mission to the region. Israel told the Security Council it would not be put on trial.

The leaders of France, Britain and Germany made an unprecedented joint appeal to Mr. Netanyahu and Mr. Arafat to meet immediately.

Mr. Arafat appealed for calm and ordered the 30,000 armed men under his command to use force, if necessary, to stop the rioting.

In many areas, his pleas were ignored. *(AP, Reuters)*

SAIL: *Around the World 'the Wrong Way'*

Continued from Page 1

yacht race — a 30,000-mile (48,270-kilometer) journey against prevailing winds and currents. They aren't due to return to England until July.

Mr. Shuff has white hair and a healthy, middle-aged build. Much of what he had to say was based on the warnings of others. He repeated it without bravado but efficiently, helpfully. On the face of it there was nothing exceptional about him, but here he was climbing down a narrow ladder on the eve of this exceptional voyage.

"This is where I'll be sleeping," he said.

It was a red, slightly padded berth, at six feet just taller than he is and hardly wider than his shoulders, with black straps to hold him down during storms. The bed cost him the standard rate of £18,750 ($30,000), the same as his crewmate, a 60-year-old Briton, who paid for the berth directly below.

Each of the 14 identical 67-foot (30-meter) steel yachts will be crewed by 13 paying volunteers. The race will be decided by the performance of the crew, strategy and luck. Of the 290 volunteers, 155 plan to see through the entire race, while the rest will come and go with the various legs.

Most of Mr. Shuff's crew is British — he is the only American aboard his entry, named after its sponsor, Group 4 — and all of them were interviewed and approved by Chay Blyth, the race founder and, 25 years ago, the first person to sail alone around the world the "wrong way."

Many of the volunteers had never sailed before training began for this race. Four on Mr. Shuff's boat are women.

Mr. Shuff began sailing in 1980. His longest excursion had taken him on a 44-foot boat from the Chesapeake Bay to St. Thomas in bad weather over 16 days.

For the next 10 months he will be helmsman of Group 4, turning its enormous, thin-framed wheel. Within a few months he will be in charge of steering around Cape Horn and amid the icebergs of the southern Atlantic.

"The winds there can reach up to 60 knots, the waves 50 to 60 feet high," he said. "The big icebergs show up on radar. It's the ones just below the water that don't show up on radar that we'll have to watch out for."

Only two crew members will be on deck, and then for shifts of 15 to 20 minutes before cold forces them below.

"If you look at a map of the Antarctic, there's really nothing to break up the winds and currents," Mr. Shuff said. "If you were to just drop all of the sails and sit there, you would go east 50 miles a day driven by the winds and currents. Basically we'll have to sail against the wind 50 miles every day just to stay where we started from."

The 14 boats will be seen off by Princess Anne on their way south across the Atlantic doldrums to Rio de Janeiro — a 5,000-mile journey that is expected to take 30 days. For this leg Mr. Shuff and his fellow crew have been limited to two changes of underwear, one pair of socks, one shirt and one pair of trousers in order to maintain the lightest sailing weight possible.

"Around the doldrums the extreme will be boredom," Mr. Shuff said. "From what I understand, that's where a lot of tempers flared during the last race. There can be a lot of frustration. It's not windy, the boat's not going anywhere.

"One of the challenges will be getting along with the other crew members. We're in tight quarters under very trying conditions. When you're sitting in hot weather, humidity, not going anywhere, it can be more trying than if everyone's working hard during a storm."

The crew will have between two and six weeks in each port, most of it to be spent on repairs, preparations for the next leg and public relations excursions.

The ship will stop again at Wellington, New Zealand, around New Year's Day; at Sydney in February; Cape Town in April and Boston in June before the closing 3,000-mile leg to Southampton.

The previous race, contended in 1992-93 by 10 yachts, was decided by two hours.

EUROPE: *Italy and Spain Chart Budget Cuts, Joining the Race to Single Currency*

Continued from Page 1

would bring them in line with the single-currency deficit requirement in 1997, the year on which countries will be judged.

The Belgian cabinet was scheduled to work over the weekend to find 100 billion francs ($3.2 billion) of budget cuts to present to Parliament on Tuesday. And Finland is considering whether to fix the markka within Europe's exchange-rate mechanism this fall to guarantee its participation in the single currency.

"They've realized that the first group of countries is going to be quite a broad group," said Richard Davidson, chief European economist at Morgan Stanley International in London.

The latest developments increase the probability that the Euro will go ahead in 1999, Mr. Davidson said. At the same time, though, the potential participation of historically weak currencies like the peseta and the lira could produce a Euro that is less stable than the Deutsche mark, he added.

The stiff budget cuts do not guarantee success either, since they run the risk of slowing economic growth and canceling out much of the expected deficit reduction, analysts said.

In Madrid, the government of Jose Maria Aznar unveiled a 1997 budget designed to slash the deficit by 1.2 trillion pesetas ($9.4 billion), relying two-thirds on spending cuts and one-third on tax increases. Spending will be held below the rate of inflation, and salaries of public-sector workers will be frozen.

But Richard Reid, chief economist at UBS in London, predicted the austerity packages would trim growth by half a percentage point, to 1.5 percent in Italy and 2.0 percent in Spain. He said the prospect that the two countries would get their deficits down to 3 percent of GDP next year was "highly unlikely."

Another dose of caution came from France on Friday, where the government reported that unemployment had risen to a record 12.6 percent. Still, market belief in the momentum of the single-currency project remained strong Friday. The interest rate on Italy's 10-year government bond, which falls as prices rise, dropped to 8.52 percent, almost a full percentage point below the level of a week earlier. Spain's 10-year bond was quoted at 7.84 percent, down from 8.60 percent a week ago.

The Italian government's turnaround was dramatic. Whereas Foreign Minister Lamberto Dini was calling for a delay in the single-currency timetable early this month, the government suddenly signaled Thursday that it intended to double its budget cuts to meet the single-currency deficit requirement in 1997, a year earlier than it had planned.

The draft budget approved Friday included 25 trillion lire in spending cuts, 25 trillion in revenue increases — including a one-time "Euro tax" — and 12.5 trillion of revenues from unspecified treasury operations.

Diego Masi, the parliamentary leader of Mr. Dini's centrist Italian Renewal party, resigned in protest over the budget package, saying the government had relied too much on tax increases.

SICK: *German Workers Get a Dose of Corporate Medicine as Firms Tackle Absenteeism*

Continued from Page 1

way through Parliament this year, the sick pay issue was framed as a way to cut high labor costs, which price German products out of the market.

[IG Metall, the powerful metalworkers union, named Oct. 24 a nationwide "day of action" to protest plans by some of Germany's biggest companies to cut sick pay by 20 percent, The Associated Press reported.

[Klaus Zwickel, the head of the union, said Friday that the union intended to show it was willing to strike if necessary to preserve the 100 percent benefit guaranteed in contracts.]

To Germany's managers, chronic absenteeism has been a bane for many years. They can cite their absentee rates off the tops of the heads, just like their cash-flow and revenues.

In the auto industry, so many workers are thought to play hooky that companies could not afford to wait until lawmakers finally created a disincentive.

Volkswagen AG has a team of factory truancy officers who make unannounced home visits, randomly selecting two to four home visits a day to those who called in sick. If no one comes to the door, the worker returns to a sarcastic note in the mailbox wishing a speedy recovery.

The message has been getting through. The average auto plant has only 5.8 percent of its workers sick on a single day, down from nearly 8 percent in 1991.

In April, a management book was published that quickly gained a following among executives. Already in its second printing, the book *Einer fehlt, und jeder braucht ihn* — "One Does Not Show Up, and Everyone Needs Him" — prescribes a remedy for no-shows, one that increasingly is attracting attention and being copied throughout Germany.

Written by two executives at the carmaker Adam Opel AG, the German division of General Motors Corp., the book describes how Opel dealt with its own absentee crisis. In 1992, nearly 10 percent of the work force was missing on any single work day. For each percent missing, Opel reckoned it paid 25 million DM a year in nonproductive sick pay benefits.

Beginning with a blunt carrot-and-stick approach in 1993, Opel linked absentee targets to each year's Christmas bonus.

Opel took it a step further. Last year, managers were required to question each employee upon return from an illness, filling out compulsory questionnaires. Was the illness related to work? Can it be avoided, for instance, with ergonomic tools? How did the worker treat the malady? Are there difficulties at home?

For those who are suspiciously ill too often, Opel foremen also pay unannounced visits to the worker's home.

Today, Opel's absentee rate is just over 5 percent, nearly half the 1992 level. It figures it saved 10 million DM last year at its flagship Ruesselsheim plant alone.

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Highlights include important works by Alexander Archipenko, Pietro di Francesco degli Orioli, Hans Makart, Franz von Stuck, Friedrich von Amerling and Rudolf von Alt.

The Mauerbach Benefit Sale will take place on October 29 & 30 at the MAK-Austrian Museum of Applied Arts, Vienna
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ART

Tate and National Gallery in London Sort Out Their Art

By Alan Riding
New York Times Service

LONDON — For all the exceptional Old Masters to be found in Britain, this country has never boasted a great treasure of Impressionist and post-Impressionist art. Yet its collection of European art from the late 19th and early 20th centuries would look a great deal more impressive if it were not divided between the National Gallery in Trafalgar Square and the Tate Gallery, several traffic jams away on Millbank.

Now, however, institutional pride has finally given way to public interest. In March, the two London museums will exchange 66 mainly French paintings from the turn of the century, including works by Cezanne, Degas, Monet, van Gogh, Matisse and Picasso.

They have also agreed to consider 1900 as the dividing date between their collections. As a result, the National Gallery will lend 14 paintings to the Tate and receive 52 in return.

"We think that collections should generally be where they make most sense and where people expect them to be," Neil MacGregor, the National Gallery's director, said. "We also think that by taking 1900 as a watershed, we will be able to show that the collections are richer than generally perceived."

The catalyst for the agreement was the decision to create a new Tate Gallery of Modern Art in an abandoned power station at Bankside, opposite St. Paul's Cathedral. With the $120 million museum due to be finished by the year 2000, the Tate's trustees are eager to present as complete a collection of 20th-century art as possible. And for that, they needed the help of the National Gallery.

The National Gallery, on the other hand, jumped at the chance of filling some gaping holes in its late-19th-century collections and, at least numerically, has emerged with the best of the deal. The agreement will be reviewed after four years, but the expectation is that longterm loans will eventually become donations.

They have agreed on 1900 as the dividing date between their collections.

"The staff and trustees of the Tate were less concerned by the number of pictures or by questions of value than by how to make the best use of our national collections," said Nicholas Serota, the Tate's director. "It will be of great benefit to the public and will give a firmer base to the way the Tate deals with the 20th century."

Some of the confusion now being addressed dates back to a 1927 agreement between the National Gallery and the Tate in which 1870 was defined as the dividing date for their collections of non-British art.

Founded in 1824, the National Gallery nonetheless continued to acquire post-1870 paintings and to this day describes its collection as covering Western European painting from 1260 to 1920.

The Tate, in contrast, has always had something of a split personality. Founded in 1897 as a department of the National Gallery, it was originally intended to house works by British artists born after 1790. Then in 1917, having already acquired its priceless Turner collection, its mandate was extended to cover international modern and contemporary art as well as British art back to the 16th century. Only in 1955 did the Tate become fully autonomous.

Since major museums in Europe are invariably public institutions housing national collections, the rearrangement of collections is relatively easy compared with, say, New York, where the Metropolitan Museum of Art and the Museum of Modern Art are independent institutions.

In Britain, art works can be transferred through bargaining or simply on government orders, without the need for payments. Even so, there is no consensus on the starting date of modern collections.

In France, a huge shake-up followed the opening of the Georges Pompidou Center in the 1970s and the Musee d'Orsay in the 1980s.

Today, the Musee d'Orsay embraces neo-Classicism and Romanticism from 1848 to 1870 and Impressionism and post-Impressionism through 1910, while the Pompidou Center covers the rest of this century (although the Picasso Museum contains the Spanish master's main French collection).

The establishment of the Reina Sofia Art Center in Madrid as Spain's main modern art museum in 1992 also resulted in reorganization of Spanish collections.

The government picked the symbolic date of 1881 — the year of Picasso's birth — as the beginning of the period to be covered by the Reina Sofia, and ordered the transfer of 2,000 paintings and sculptures from the Prado Museum and other institutions. The Prado was particularly unhappy to lose Picasso's "Guernica," which was painted in the late 1930s.

In Britain, there have also been earlier transfers of artworks in the name of institutional coherence. In recent years, the National Gallery has donated drawings to the British Museum, portraits to the National Portrait Gallery and miniatures to the Victoria and Albert Museum.

The Tate has also begun negotiations with a view to borrowing some British art currently at the Victoria and Albert.

The agreement between the National Gallery and the Tate, however, was particularly complicated because both are proud their turn-of-the-century foreign art.

Further, while MacGregor and Serota said that 1900 was picked as the dividing date for their collections because a later date would mean splitting Picasso, Braque and Matisse, the two museums were required to swap works by Cezanne, Monet, Pissarro and Renoir.

"We have a strong showing of Pissarro's early years," said John Leighton, curator of 19th-century paintings at the National Gallery. "But we're missing a whole period between 1877 and 1897, so we're getting four Pissarros from the Tate from the early 1880s." Going in the opposite direction to the Tate, though, is Pissarro's "Louvre Under Snow" of 1902.

Similarly, while the National Gallery will receive Cezanne's "Avenue at the Jas de Bouffan" of 1874-75 and "Still Life With Water Jug" of 1892-93, it will cede Cezanne's "Grounds of the Chateau Noir" of 1900-04, a painting that underlines his importance as a precursor of 20th-century Cubism.

Significantly, though, one of the National Gallery's jewels, Cezanne's "Great Bathers" of 1894-1905, was not part of the negotiation.

IN the case of Renoir, the National Gallery will lend three paintings and receive one, while it will lend one Monet and receive three in return. For the Tate, though, Monet's "Water Lilies," painted after 1916, is a welcome addition. "He was important for the 19th century, but also very much a 20th-century artist," said Jennifer Mundy, assistant keeper in the Tate's modern collection.

Both museums seem delighted with the exchange, which also includes moving paintings by Matisse and Picasso to the Tate and works by Degas, Gauguin, van Gogh, Manet, Seurat, Sisley and Toulouse-Lautrec to the National Gallery. And the public, too, should be pleased. From next spring, Impressionism in Britain will have a permanent home on Trafalgar Square. And from the year 2000, the new Tate Gallery of Modern Art should be able to live up to its name.

Jonathan Player for The New York Times

National Gallery's Neil MacGregor (left) and Tate's Nicholas Serota with a Monet and a Picasso they will swap.

BOOKS

MY OTHER LIFE

By Paul Theroux . 456 pages. $24.95. Houghton Mifflin.

Reviewed by
Sven Birkerts

THE idea of cross-dressing makes me nervous, and so too do most forms of literary genre-jumping. Philip Roth should just be Philip Roth and stop showing up in his novels, and there should be some prohibition against writers setting down their memoirs, as did V.S. Naipaul in "The Enigma of Arrival," and then calling the result fiction.

Hearing that Paul Theroux had written his novel "My Other Life" about a character named Paul Theroux, calling it "the story of a life I could have lived had things been different," even as that character's major life-moves seem to parallel those of his author — well, I felt a great weariness descend. The epigraph from Borges — "I do not know which of us has written this page" — almost finished me off.

But then, dutiful reviewer, I began to read, and within a very few pages I understood again how the prose of a true writer can bring us to a place beyond. Suddenly it doesn't matter if something really happened or was invented, because the deeper imagination has declared independence from all such questionings.

"My Other Life" begins, after a brief prefatory chapter, with the narrator's account of a visit to an African leper colony in the mid-1960s. From the moment he leaves his teaching post (Theroux, too, taught English in Kampala at that time), the images and observations are driven home like rivets:

"I sat in the shade of the verandah, watching the hot street and the white sky, the earth like pale powder, and everything still except the insects. I walked into the sun and immediately felt the weight of it on the top of my head. I stood alone in the middle of the street on the small black island of my shadow, and thought: I am where I want to be."

And so he is. Arriving at the scorched bush that is the leper colony of Moyo, finding there no screen of illusion, no companionship except the half-addled missionaries and a sex-starved nurse named Birdie, no urge to good works that does not wither in the glare of human misery and the stoicism that bears it, Theroux is cleansed, put back in touch with first principles. He begins to wonder if he could make a life there. Alas, after a foolish liaison with a young woman from the colony (she does not yet show signs of her disease), he knows he has to leave.

Theroux steps forward next as a young writer living with his wife (an Englishwoman he met in Africa) and their two children in Singapore, scraping by on the most meager of teaching stipends. He is bailed out when an eccentric millionaire named Lazard hires him as a live-in poetry instructor, and cut adrift again after Lazard's wife tries to claim him for her own nonliterary uses.

The central chapters of "My Other Life" paint the portrait of a quiet man who lives for his family and his work. Day after day, month after month, he immerses himself in his projects, waits for his children to get home from school, and enjoys a pint or two at the corner pub. And then, with a vertigo-inducing shift of time frames, everything is suddenly altered. The children are grown, away at college; husband and wife have become estranged and decide to separate. The situations may have been invented, or altered, but the emotion could not have been. A terrible desolation blows through these pages.

"My Other Life" is a complex and gripping work of invention and confession. It brims with anecdotes, some clearly composed by novelist Paul Theroux, and true in the way that fiction can be true; others which bear the feather-markings of the actual and reflect the skills of the veteran memoirist and travel writer. There is no point, though, in sorting the material into separate canisters. As T.S. Eliot wrote so quotably: "What might have been and what has been/ Point to one end, which is always present" — that "present" being, for the reader, the now of reading.

Sven Birkerts, author of "The Gutenberg Elegies: The Fate of Reading in an Electronic Age," wrote this for The Washington Post.

Venetian School, circa 1820, *Jewish Worshippers at the Cave of Machpela, Hebron*, oil on canvas, period frame, 104.5x76 cm. Estimate: $70,000-100,000. To be sold in Tel Aviv on 8 October.

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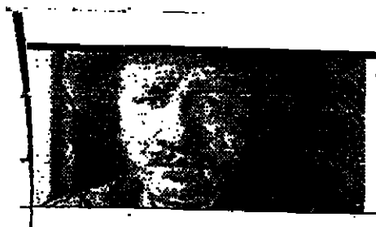


Chinese Artists Look Back

New York Times Service

EDINBURGH — In a China that is rushing wildly toward its own idea of economic development, obliterating a good deal of its remaining cultural heritage in the process, some Chinese artists have found an unusual way of expressing dissent: They have begun looking backward, hoping that nostalgia can serve as a mirror, to remind the country that it has a past.

Yet it is a measure of how quickly China is changing that this "past" may be as recent as two decades ago. It is also a past that in some ways is being romanticized not to approve of what may have happened or to suggest that things were better then, but simply to recall that there is more to China than the current feverish drive for profits.

That, at least, is the premise of "Reckoning With the Past," an intriguing exhibition of 64 works by 15 Chinese artists — nine from China and three each from Taiwan and Hong Kong — at the Fruitmarket Gallery here. The show, which provides a rare window for the West on contemporary Chinese art, closes Saturday, but will travel to Aberdeen, Ayr and Kirkcaldy in Scotland through next June, and then tour other European cities for 15 months.

"Contemporary artists' interest in the past implies a questioning of China's legacy of modernity," Chang Tsong-zung, a Hong Kong-based curator and expert in Chinese art, wrote in the exhibition's catalogue. "Their nostalgia points to a yearning for symbols which rise above the vagaries of temporal political and economic forces."

Perhaps most surprising is the reappearance of Mao Zedong as a kind of Pop Art icon, portrayed in two paintings by Yu Youhan in a flowery Mao suit floating over students and Red Guards. More ironically, Wang Xingwei has taken Mao's place in various heroic poses against mountainous landscapes, all evidently inspired by Liu Chunhua's famous propaganda portrait, "Chairman Mao Goes to An-yuan."

Feng Mengo, a 30-year-old artist from Beijing, has found an even more unusual way of transforming the past, creating colorful video-game images of a Red Guard called Wang kick-fighting a blond American called Guile. In the process, he both trivializes and immortalizes the anti-American hysteria of the Cultural Revolution, which he is, of course, too young to remember.

Graeme Murray, the Fruitmarket Gallery's director, admits that it is difficult to generalize about Chinese art today, above all because there is no conventional art market in China. Each of China's 21 provinces has a fine arts academy, but there are few private galleries or collectors, and the Chinese press gives scant attention to the visual arts.

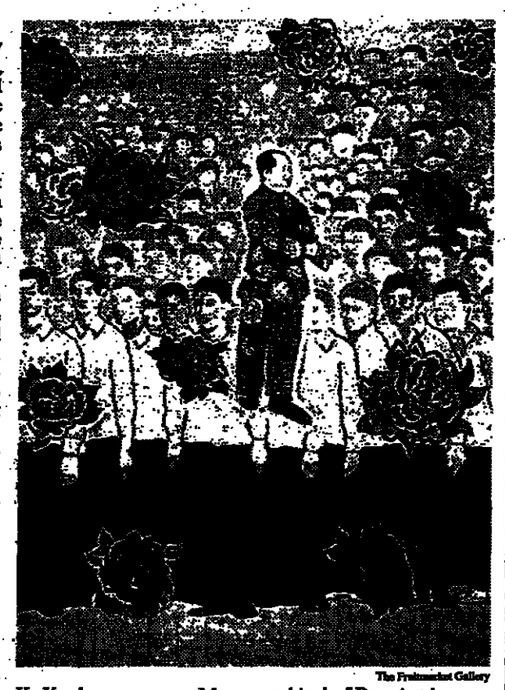
Murray said that he and Chang, who organized the show together, had been free to travel around China in search of talent. "Shows tend to be held in private homes, art schools or hotel lobbies," he said, "but we picked our own artists and no one gave us any trouble."

What distinguishes "Reckoning with the Past" from other group shows of Chinese art is that it embraces artists from Taiwan and Hong Kong as well as China. And while the artists from these three Chinas are the products of very different modern histories, the decision to unite them seems justified by their common search for identity at a time of convulsive change, including the prospect of Hong Kong's reversion to China's control next year.

ALTHOUGH the works on display here are figurative, suggesting an urgency to communicate, the artists seem to have different concerns. "China's artists, while dealing with personal experiences, cannot avoid addressing the public sphere," Chang said. "For the artists from Taiwan and Hong Kong, there is a much more individualistic quest for identity and belonging."

Certainly, there is a dreamlike quality to some of the work from Taiwan and Hong Kong. In contrast, China's artists face both political constraints and the legacy of a 20th century in which the country has repeatedly rejected its past, from the fall of the last imperial dynasty in 1911 and the Communist revolution of 1949 to the Cultural Revolution of 1966-76 and the economic revolution of the past decade.

Chang said that during the Cultural Revolution, "unthinkable quantities of historical artifacts" were destroyed and Mao succeeded in severing "any physical and sentimental ties China might have with its own history." But today's economic drive has also been "catastrophic," he said, with ancient towns being wiped out by the Three Gorges Dam project on the Yangtze River and historic architecture being razed by rapid urbanization.



The Fruitmarket Gallery

Yu Youhan presents Mao as a kind of Pop Art icon.

No less alarming, though, is the apparent public indifference to what is now happening, an apathy that Chang attributes to "the average citizen's alienation from his own past." In this sense, then, by trying to recreate the past in their own terms, the country's artists are making a strong statement about China's direction today.

Zhang Xiaogang, a 38-year-old painter working in Chongqing, has focused on the legacy of collectivism through a series of photographlike portraits called "Bloodline" and "Comrades." In these, the subjects stare out of the canvas conveying no visible emotion, yet each has a stain on his or her face suggesting an inner wound. "The first lesson we have to learn is to protect ourselves and keep our experiences locked up in an inner chamber away from the prying of others," Zhang said in a note in the catalogue.

Different echoes of the past can be found in He Duoling's romantic portraits of early 20th-century Chinese women, in Mao Lizi's pictures of vandalized ancient Chinese images and in Yang Yiping's oils of solitary men, including "Red Guard in Slumber," which was painted in 1988. Liu Dahong has gone further, using surrealist images to recreate the ebullience of life in pre-Communist Shanghai.

For all the nostalgia evident in this show, many of the artists insist that their purpose is to look to the future. "I hope that when people see my paintings they can dream of a better world than I have depicted," said Wei Dong, a Beijing-based artist who has placed women engaged in sadomasochistic activities in a traditional Chinese landscape. Liu is even more optimistic. "My feeling," he wrote, "is that, as China is again breathing the air of freedom, cultural revival will once more blossom in this ancient country."

Alan Riding

The Pierpont Morgan Library

Rembrandt's "Landscape with Trees, Farm Buildings and a Tower," an etching with a very painterly effect.

Rembrandt's Altered States

Reworking of Etchings Sheds Light on His Work

International Herald Tribune

NEW YORK — What is it that made a few major masters attach such importance to printmaking as to spend more time working at them than at their easel, brush in hand? No case is more fascinating than that of Rembrandt, whose etchings, on view at the Pierpont Morgan Library until Jan. 5, are as admirable as his paintings.

SOUREN MELIKIAN

Rarely seen because works on paper do not bear prolonged exposure to light, the selection of 100 impressions should not be missed by any lover of Rembrandt's art. They yield essential keys to the understanding of his oeuvre as a whole.

Unlike the paintings, most prints are preserved in several succeeding "states," in each of which alterations have been made to the composition, to certain details and, mostly, to the play of light and shadow known as chiaroscuro. "No other artist in the history of printmaking reworks his plates as frequently as Rembrandt does," as the great German scholar Holm Bevers notes. In the process, the artist revealed as no one else the visions that haunted him and what mattered most as he transcribed them.

Perhaps the most striking aspect of the transformation process is the deepening of shadows and of the relief effect. Linear details get more blurred, if not burnished out altogether.

In one of his more poignant self-portraits, etched in 1648 when Rembrandt, aged 39, was still under the shock of the death of his wife Saskia, the artist showed himself leaning heavily over his sketchbook, facing the viewer. In the first state, the folds on his blouse are sharply traced and the eyes, which look straight ahead, simply betray anxiety. In the second state, the folds disappear, the eyes, lost in distraught self-absorbtion, no longer focus on the viewer. Behind the seated artist, a drape of blackness has deepened.

Even when tragedy does not lurk in the background, the darkening process is evident, as if the desired gravity required it. In 1651, Rembrandt etched the portrait of Clement de Jonghe, believed to be a print dealer. Seated in a high-backed chair, the man faces the viewer, his eyes gazing at some faraway point, his lips pressed. In the first state, a thin smile can be detected. In the second state, the smile is gone. The shadow falling from the wide-brimmed hat over the face drowns the eyes, the whole bust projects a more sculptural image. No sitter was ever given a more dramatic presence.

Transforming his work, the artist reveals the visions that haunt him.

Comparison with Rembrandt's first thoughts jotted down in pen and brown ink suggests that the darkening process went along with a conscious rejection of any details deemed to be trivial. A sketch of the connoisseur and art patron Jan Six is preserved in the Jan Six Collection in Amsterdam. A dog stands on its hind legs, pressing his paws on the man's thighs. There is a casualness to the master's posture and a lightheartedness to the scene, spontaneously sketched, that has been ironed out of the etching, as if the thought of flippancy was intolerable to the printmaker.

How seriously Rembrandt took the art of etching is demonstrated by one of his most incisive self-portraits, dated 1639. The artist rests his arm on a low stone parapet and turns his head to look at the viewer. Despite the velvet beret in 16th-century Venetian taste jauntily perched on the side of his head, an expression of untold distress emanates from the eyes.

In 1640, the artist painted on canvas a version of the portrait. There, the eyes have lost their searching expression, the distress has given way to a pout. The portrait in effect has lost its strength. Curiously the tones, black and brown, add almost nothing. Could it be that Rembrandt, who responded so intensely to light and shadow, perceived — or at least conceived — his compositions in primarily monochromatic terms?

A closer look at some of the elaborate landscapes the master etched rather strengthens that feeling. In a long horizontal landscape with a church tower in the distance, the shimmer of light is rendered in a multitude of strokes. The medium used, which naturally lends itself to precision, has on the contrary been applied to create an impressionistic view, blurred at the edges. Rembrandt has contrived a very painterly effect through the sole use of subtly toned black and white.

In another, very famous, etching, "Three Trees," this effect is carried further. A storm is receding from a vast expanse of open countryside bathed in contrasted light. The sheen of the sun rays lightly touches the foliage of the trees, runs between their trunks and, leaving much of the embankment of a river in darkness, ripples over the water in the foreground.

THE sky is handled with great boldness. Everything rests on the expressive value of the strokes and the density of black. Light swirls suggest rolling clouds swept away by winds. Sinuous lines, darkened in places by hatching, stand for rain pouring down caught in whirlwinds. In the top corner left, close parallel lines come down at a slant to indicate a stormy shower in a device that strikingly anticipates one that was to be used frequently in Japanese woodcuts, 150 years or so later.

But it is in the Biblical scenes that the significance of etching as the painter's alternative technique comes out most forcefully. "The Annunciation to the Shepherds" is as rich in detail and as subtle in the rendition of light as any picture by the master. Light bursts out high up left, with tiny angels tossed about in sun rays above Gabriel, who stands on a cloud. The archangel is preaching to shepherds while panic sends their herds scuttling off below.

A fantastic landscape of trees and rocks shimmering in darkness cuts across these two pools of light, from top right to bottom left. Down there, one senses an immense hilly landscape receding into the distance and nearly lost in blackness. Many of the details were reworked in three successive "states."

In "Three Crosses," the transformation process went further, spread over a period of several years. In the final elaboration, the crowd around the crosses has been reduced. Previously clear-cut figures are half submerged behind fine lines intended as stylized shadows that shoot in every direction. The thief on the right has vanished into a vertical drape of darkness. Christ alone appears more clearly.

The overall impression is of streaks of blackness and whiteness, out of which Jesus emerges in the midst of an upward-oriented stream of light. Holm Bevers believes that the reworking of this final version took place in 1661, some eight years after the first state was etched. Such a long meditation would imply that in the eyes of Rembrandt himself the art of etching stood at least as high as that of painting.

PUZZLE OF THE FUTURE By Merl Reagle

ACROSS

1 Dove home
5 Futuristic genre
10 Sweet
16 Heart hurt
17 "Is Paris Burning?" co-star
18 "Who controls the past controls the future" book, with 22-Across
20 "Future Indefinite" autobiographer
22 See 18-Across
24 Quiz feature: Abbr.
25 Put — to (squelch)
26 1958 Ritchie Valens hit
27 "We — please"
28 Did salon work
30 Castle strongholds
32 Does hand shuttle work
33 They can give you fits
34 Utah park
36 Alpaca's home
38 Nevada county
39 Jai —
40 The Mariners' airport
42 Night sight
44 She wrote "The Wave of the Future"
47 Kind of lighting
50 Soft palate extensions
54 Overly
55 S. C. Johnson's Future, for one
57 "The Once and Future King" setting
60 To fly on Alitalia
61 1945 conference site
62 "Do Ya" rock grp.
63 "Future noir" film of 1982
67 Sheet music abbr.
68 The bucking stops here
71 Opts
72 "The future of law enforcement"
75 "He's a little worried about his future"
77 Having magnitude only
79 Pacific islander
80 6 on your dial
81 Futurity
84 Dove home
86 Flat friend
88 Colombia city
90 Egypt's — Simbel
93 Pot emission
96 Not be discreet
97 Classic Burris-Smith song "— the Jack"
99 Greeting for Legree
101 Reason for an identity crisis
103 Relates again
104 Certain berth
106 Cove
107 Southernmost city in Illinois
109 Canine command
110 They released "Days of Future Passed" in 1967
112 "Back to the Future" figure
114 Author of "The Army of the Future"
115 Will Durant's wife
116 Question session
117 Future et al.
118 Reunion group
119 Ex-"Ellen" actor Gross

DOWN

1 Double-deck game
2 Big Band singer Helen
3 Fought-over peninsula
4 Orinoco shocker
5 Muffin alternatives
6 Fulfilled a crowing need
7 Where Qum is
8 Futura maker
9 Party ouisider: Abbr.
10 Enlist
11 Takes one's mitts off
12 Lay one's mitts on
13 "Comin —" (3-D western of 1981)
14 Attach anew, as lug nuts
15 Navy enlistee
18 Black-clad mercenary
19 Bats
21 Crunch's rank
22 Awfully long time
23 White house bud, in the future
26 Lady of Brazil
29 Grosse — Mich.
30 "The lady — protest too much": Shak.
31 Trap
34 Today's dodo count
35 Literary plotter
37 Old Italian royal house
40 Alit
41 It's hard, on your feet
43 Actress Lenska
45 Abbr. at an exchange office
46 Chucklehead
48 Horse color
49 "Hee Haw" fodder?
51 Cousin of Cucinthia pink
52 105-Down, notably
53 Tacky?
55 Long suit
56 Wipe out again
57 Popular mints
58 Isle be seeing you?
59 On-line need
60 Missile's heading
64 Reuniongoer
65 Admissions post
66 Character
69 They may clash on the set
70 Future doctors' tests
73 No, in circular signs
74 Future teller
76 A Pointer sister
77 "Brave New World" joy juice
78 Manger upgrade
81 Hidalgo hi
82 Summons
83 Maker of Darvon and Pruzac
85 "Fall River Legend" choreographer
87 Passing piece
89 Chic
90 Extremely busy
91 Two-legged rifle mount
92 e. e. cummings, e.g.
94 Invalidates
95 Soccer game outcome?
97 Greenish blues
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103 Standard practices
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107 Journalist Bernstein
108 "Turandot" tune
111 Airport shuttle
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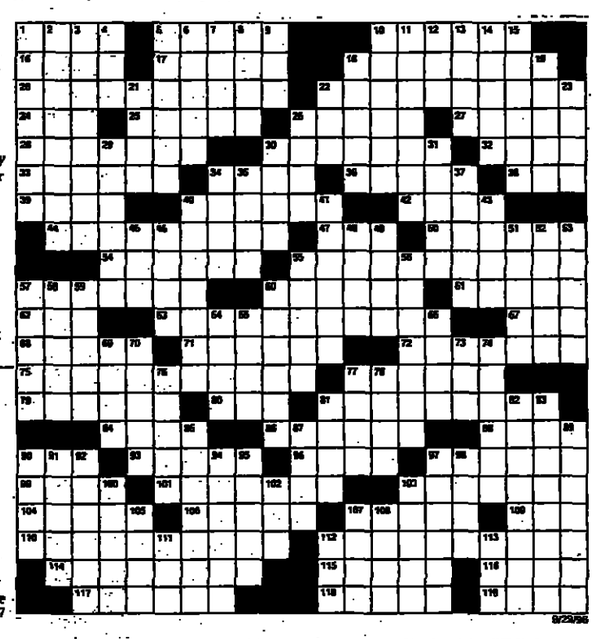

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Solution to Puzzle of Sept. 21-22

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At 8 p.m. ABSTRACT and CONTEMPORARY ART. Expert Mrs. M. A. Prat. Public viewing: **ESPACE TAJAN**, 37, rue des Mathurins, 75008 Paris, till Thursday, October 3, from 9 a.m. to 7 p.m., Satruday from 11 a.m. to 6 p.m.**DROUOT MONTAIGNE**, Saturday, October 5, from 2 p.m. to 8 p.m., Sunday, October 6, from 11 a.m. to 8 p.m. Monday, October 7, from 11 a.m. to 3 p.m. For inquiries, please contact François Tajan or Fabienne Garcia, tel.: 01 53 30 30 20/55. - Fax: 01 53 30 30 31.

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Room 9 at 2:p.m. sharp 18th and 19th century FURNITURE AND OBJETS D'ART from connoisseur's collection from the south of France (2nd part) and others. Mrs. X collection, HERALDIC STAMPS. Experts: MM. O. le Fuel and R. de l'Espée, 14, rue Drouot, 75009 Paris, tel.: 01 42 46 10 46 - Fax: 01 48 00 90 98. partial exhibition in the auctioneer's office: **Etude TAJAN**, 37, rue des Mathurins, 75008 Paris, till Thursday, October 3, from 9 a.m. to 7 p.m. (Saturday from 11 a.m. to 6 p.m.). Public viewing at DROUOT RICHELIEU, Monday, October 7, from 11 a.m. to 6 p.m., Tuesday, October 8, from 11 a.m. to noon. For inquiries please contact Catherine Yaiche, tel.: 01 53 30 30 30 - fax: 01 53 30 30 31.

Wednesday, October 9, 1996

Rooms 5 and 6 at 2:15 p.m. Lady Walker collections and others, 17th, 18th and 19th century FURNITURE and *OBJETS D'ART - OLD MASTER PAINTINGS*. Experts: *M.J.* Saint-Bris, M.E. Turquin. On view at **Drouot Richelieu**, rooms 5 and 6, Tuesday, October 8, from 11 a.m. to 6 p.m., Wednesday, October 9, from 11 a.m. to noon. For inquiries please contact Catherine Ugols at **Etude TAJAN**, 37, rue des Mathurins, 75008 Paris, tel.: 01 53 30 30 60 - Fax: 01 53 30 30 31.

Friday, October 11, 1996

Room 3 at 2:15 p.m. 17th to 19th century WATCHES - OLD AND MODERN JEWELRY. Experts: MM. R. Déchaut and Th. Stetten. Public viewing at Drouot Richelieu room 3, Thursday, October 10, from 11 a.m. to 6 p.m., Friday, October 11, from 11 a.m. to noon. For inquiries please contact Florence Grether or Anne Boswell at **Etude TAJAN**, 37, rue des Mathurins, 75008 Paris, tel.: 01 53 30 30 50/51 - Fax: 01 53 30 30 31.

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PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Netanyahu's Choice

Barely three months in power, Prime Minister Benjamin Netanyahu of Israel suddenly faces a turning point for his government and his country. After weeks of hesitation about whether to reinforce or weaken the peace he inherited between Israel and the Palestinians, Mr. Netanyahu must now make a choice. If he encourages peace, he may be able to quell the violent clashes that have rocked Israel and rebuild the mutual trust that has been shattered. If he abandons the peace effort, Israel and the Middle East will almost certainly slip back into violence and enmity.

Mr. Netanyahu alone cannot salvage the peace effort, or even bring an end to the fighting in the West Bank and Gaza. He must have the cooperation of Yasser Arafat, the Palestinian leader, who bears considerable responsibility for the disturbances.

But Mr. Netanyahu is the pivotal figure. Without Israel's commitment to move ahead with the peace effort and agreements signed under Prime Minister Yitzhak Rabin, Mr. Arafat cannot deliver the benefits he has promised to the Palestinians. He will quickly lose whatever authority he retains, and there will be little hope of checking Palestinian unrest, save the use of Israeli force.

By cutting short his visit to Europe and returning to Israel on Thursday, Mr. Netanyahu showed he understands the gravity of the crisis.

He and Mr. Arafat need to meet as soon as possible. To make such a meeting productive, Mr. Netanyahu should be prepared to make some firm commitments. Israel should terminate the construction work in the Old City of Jerusalem that provoked the Palestinian rioting. There was no urgent need to open a new entrance to an archaeological tunnel that runs alongside the holiest Muslim and Jewish religious sites in Jerusalem.

But more than a goodwill gesture is needed now. Mr. Netanyahu should declare his intention to proceed with withdrawal of most Israeli forces from the West Bank city of Hebron, as stipulated in the second Israeli peace accord with the Palestinians. He should also limit his government's plans for expanding Jewish settlements in the West Bank.

In the last few years when terrorist bombings and other crises threatened the developing peace, Israeli and Palestinian leaders found a way to overcome the problems. That was largely because they had developed enough trust in one another to do business together. The United States and its allies are right to encourage the two men to develop the habit of communication.

Throughout his election campaign and first months in office, Mr. Netanyahu has been articulate in criticizing the accords his predecessors reached with Mr. Arafat. He has been less skillful in outlining an alternative approach to peace. He no longer has the luxury of hesitation or delay.

—THE NEW YORK TIMES.

Israel Can No Longer Count on U.S. Protection

By William Pfaff

PARIS — Israel's great mistake has been to think that its only really important relationship is with the United States. Israeli leaders have believed that if they kept Washington and American public opinion satisfied, Israel's essential security was assured.

What the Palestinians and the Arab governments thought was believed a secondary issue. The United States was expected to defend Israel should Israel ever find itself in difficulties it could not handle itself.

So long as support from the Jewish community in the United States was solid, and American opinion in general remained sympathetic to Israel, the Israeli government believed Israel secure. What Jewish communities in Europe thought about Israeli policies, or what the governments of the European Union had to say, was also considered unimportant.

The Labor Party as well as Likud has been guilty of this misapprehension. Although Shimon Peres and Yitzhak Rabin, leaders of the last Labor governments, began peace negotiations with the Palestinians, they carried on this "peace process" with more than due deliberation.

The Rabin and Peres governments were agonizingly slow in negotiating Palestinian autonomy, as if the process itself guaranteed peace by satisfying Washington. It clearly was easier, politically, for them to prolong the affair than to make concessions that would satisfy the Palestinians but enrage many Israelis.

This belief that American support was enough to guarantee Israel's security was justified so long as the threat to Israel was external rather than internal. Alas, it now is overwhelmingly internal.

It comes from the Palestinians in East Jerusalem (which Israel now has declared irrevocably Israeli territory), and from those who have been, or remain, under Israel's military occupation in Gaza and the West Bank.

Another internal threat comes from rightist groups determined to achieve a Greater Israel. The murderer of Prime Minister Rabin last spring came from their ranks.

The United States is unable to do anything about Israel's internal dangers. Washington has tried to make this plain to Prime Minister Benjamin Netanyahu and his followers, by urging them to renew negotiations with Yasser Arafat, keep the previous Israeli governments' promises to evacuate Hebron and honor the principle of exchanging occupied territory for peace.

Mr. Netanyahu has explicitly rejected the last principle, offering in exchange "peace for peace." This is a seductive slogan for Israelis but in practice means that Israel would keep the territory it still occupies, while the Palestinians (and Syrians) give up their claims on those territories and tolerate the extension of Jewish settlement in Jerusalem, on the West Bank and in the Golan Heights.

The Israeli prime minister has undermined the credibility of the United States among his Arab opponents.

Mr. Netanyahu offered another seductive slogan to Israeli voters during the election campaigns in May, "peace with security." After fighting broke out between Israeli forces and Palestinian crowds and police last Wednesday, Mr. Netanyahu dined with Likud supporters in Paris and told them that he would be back with them in 18 months, and that he would deliver what he had promised — "peace with security for Israel."

The next day, in Germany, he cut short his European visit and returned to an Israel in a quasi-insurrectionary condition.

If he does deliver what he has promised to his supporters, he will do so through his own and Israel's efforts, since the United States can do little or nothing to stop the Palestinians' uprising. The American public would ferociously oppose any American engagement in the affair.

The United States has been able to use its political and economic weight to convince the Palestinian authorities, Egypt and the Arab governments to make peace with Israel. But Washington's authority with the Palestinians and the Egyptians and Arabs has rested on their belief that the United States would guarantee Israeli negotiations in good faith, and would assure that Israel stood by the agreements it made.

Mr. Netanyahu and his government have repudiated agreements made with the Palestinian Authority by rejecting statehood for Palestine, promoting colonization and repudiating the principle of land for peace. There has been little that the United States government would — or in this political season, could — do about it.

Mr. Netanyahu perhaps does not fully understand what he has achieved. Peace negotiations have depended upon Palestinian and Arab confidence that the United States would assure fair negotiations and an outcome that respected their essential interests. By repudiating concessions already made or promised by his Labor predecessors, Mr. Netanyahu has undermined the credibility of the United States among his opponents.

In doing so, he has undermined the ability of the United States to protect Israel. Internal insurrection, or even a civil war between Israelis and Palestinians — which is not out of the question — is beyond the power of the United States to do anything about. Israel, by Mr. Netanyahu's choice, is now, for practical purposes, on its own.

International Herald Tribune.
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Russia's Ailing Leader

President Boris Yeltsin's doctors now say that they dare not operate on his heart for six to eight weeks, during which interval their patient's activity will be severely restricted. After the operation — if all goes well — he will need more weeks to recuperate. This prospect of an essentially leaderless great power is a drama with both human and political dimensions.

On a human level, it is difficult not to sympathize with Mr. Yeltsin. He roused himself from a year or more of declining health — including two heart attacks — to mount a superhuman re-election battle, only to suffer another attack on the eve of his July victory. This summer his medical and political advisers finally persuaded the bullheaded Siberian to admit, first to himself and then — in a Kremlin first — to the Russian people, that he was sick and needed surgery. But then they fretted publicly that he might be too weak to survive an operation. Mr. Yeltsin was left in the uncomfortable box of rejecting surgery, in which case he surely would have to resign, or plunging ahead.

Now his doctors have issued more reassuring news, saying that if he rests properly in the coming weeks (instead of rushing out to shoot 100 ducks, as he did recently) his prospects of recovery are excellent. At 65, Mr. Yeltsin is old in Russia, where the average male now dies at 57, but he never has resembled average. Besides, he can take comfort from Dr. Michael E. DeBakey, who at age 88 is vigorously advising the Russian surgical team.

But can Russia prosper with a mostly absent leader? On one level, the answer is clearly yes. Even since Mr. Yeltsin was re-elected and disappeared from public view, Russia has moved forward despite the power struggle among those who hope to succeed him. The president reappointed his steady prime minister, Viktor Chernomyrdin, to run the government and installed an able and liberal reformer, Anatoli Chubais, as chief of staff. His security adviser, Alexander Lebed, has brought a truce to Chechnya. Inflation is at a post-Soviet low.

Mr. Yeltsin's presence buys time — time for democracy and free enterprise to establish themselves, for a middle class to grow, for supporters of the old Communist regime to fade away. Mr. Yeltsin 15 minutes a day is certainly better for Russia than a 24-hour-a-day Gennadi Zyuganov, the Communist runner-up in July's election who would seek to yank Russia back to the past.

But the struggle in Russia is no longer fundamentally between reformer and Communist, between going forward and going back. The question now is which way forward Russia will choose. One way emphasizes private enterprise, a diminishing state role in the economy and a society governed by the rule of law. The other leads to systemically corrupt capitalism, governed by bureaucratic fiat, concentrating wealth in the hands of a few and resisting openings to the outside world.

The bureaucratic-financial concerns that gain from the second option are powerful in Moscow, while the constituency for the first, more democratic, option is large but more diffuse. In voting for Mr. Yeltsin in July, many Russians were choosing that first, democratic vision. But if there is no one in the Kremlin to restrain the lobbies and play them off against each other, that brighter scenario stands less of a chance.

—THE WASHINGTON POST.

U.S. Policy Toward Iraq Is a Mess, Not an 'Unqualified Success'

By Jim Hoagland

WASHINGTON — The moral and intellectual lameness the Clinton administration has displayed in letting Saddam Hussein strengthen himself in Iraq and gain new political acceptance from his neighbors threatens now to spread to the Arab-Israeli conflict, and beyond.

The White House refuses to admit that its own failures to match means and goals in Iraq and in Israel at vital turning points contributed to a policy vacuum that spawned violence and resort to military force.

The defeat in May of an Israeli Labor government that actively sought a long-term peace settlement with the Arabs knocked the pins out from under the prudent supporting role the Clinton administration had played in the Middle East. But, as in Iraq, the White House did not adjust to the change and lost the levers needed to achieve its declared goals.

The operational errors in two related crises depend on judgment calls that can be debated by experts. But they are linked by a much more serious and broader failure that if pursued will undermine President Bill Clinton's foreign policy as a whole.

That failure is the administration's growing inability to tell itself the truth.

Admissions of error and policy changes are rare animals in the Washington political bestiary. They become nearly extinct in a presidential election campaign. The end of a presidential term also sees policymakers who will move on to new jobs or careers doggedly defending their historical record rather than focusing on the future national interest.

That explains in part why the Middle East policymakers of the Clinton administration could repeat the serious misjudgment of Mr. Saddam's intentions made by George Bush's team, and seemingly not even be aware they were doing so. They saw only what was convenient to see.

Last March, as a Saddam-penetrated CIA operation based in Amman, Jordan, was coming apart and the Kurdish factions were moving again to war footing — events reported at the time in this column — the State Department's Northern Gulf Affairs office was concluding in a classified internal analysis that its policy toward Iraq was "an unqualified success."

A major part of the success, policymakers at State and the National Security Council told each other, was that Iraq had been kept off the president's desk in an election year. Their definition of success was for them to keep Mr. Saddam "in his box" and let the president concentrate on more important matters, like re-election.

But without presidential involvement the lower levels lost control over policy toward Iraq by the end of August. They were unable to get $2 million freed to pay for cease-fire monitors to defuse the Kurdish struggles and to bolster the sagging Iraqi National Congress, an opposition group Vice President Al Gore and National Security Adviser Anthony Lake met with, and promised to support, in April 1993.

Mr. Saddam, who had been secretly dealing with the Kurdish leader Massoud Barzani for months and probably receiving through him reports on Washington's complacency, struck with a boldness that an inattentive and poorly briefed President Clinton could not begin to match.

The most damaging part of Mr. Clinton's too-little, too-soon response was the way in which he reached the decision to fire two-score missiles into Iraq's southern desert as punishment for Mr. Saddam's military retaking of the north.

Strategy briefings were conducted on the campaign trail in harried circumstances. Mr. Clinton did not return to Washington for a face-to-face meeting in the White House with his principal cabinet officers to discuss the use of force or the difficult strategic problems of keeping the multinational coalition on Iraq solidly together. He left the impression of a partially engaged president who checked off the least ambitious, least risky box on a decision list prepared by Mr. Lake.

Since then pretense has been a chief component of the Clinton policy toward Iraq. The State Department's top Middle East expert, Assistant Secretary of State Robert Pelletreau, is treating Mr. Barzani as a wayward ward to be forgiven instead of isolating him as a partner of Mr. Saddam's who betrayed U.S. interests. Mr. Pelletreau is also reportedly proposing to send a handful of U.S. military officers back into the north soon as part of a coalition monitoring group, to underscore that normalcy is returning.

"They could do nothing there, and would simply be targets for Saddam's secret police, who now run the show," says another official, who strongly opposes the idea.

Self-induced blindness has made U.S. policy on Iraq a mess, not an "unqualified success." That will be true for Mr. Clinton's approach to the Middle East, and other world crises, unless the president and his aides start telling themselves and the nation the truth, as unpretty as it may be.

The Washington Post.

Other Comment

Drug Killings in Mexico

The continuing killings of Mexico's federal narcotics agents illustrate dramatically the lethal dimensions of the drug war being waged there. As Attorney General Antonio Lozano and his ever fewer honest and dedicated agents mobilize their forces against the infamous Arellano brothers' cartel in Tijuana, they need, and should receive, support from the top in Mexico City and from the United States, too. This war is, after all, fueled by the multibillion-dollar drug market north of the border.

The last four victims died last weekend in a Mexico City suburb. They had been tortured and strangled. The primary victim was Jorge Garcia Vargas, Tijuana director of the Institute for the Combat of Drugs, the Mexican equivalent of the U.S. Drug Enforcement Administration. His murder represents the seventh slaying this year of a Mexican officer investigating drug traffic in Baja California. Mr. Garcia Vargas's three bodyguards died with him. The killers' use of torture suggested they were seeking information, probably on an investigation. Mr. Garcia Vargas had been pursuing leads against the Arellano family, kingpins of the Baja California trafficking cartel.

A week earlier, Baja's federal police commander, Ernesto Ibarra Santes, along with two bodyguards and a taxi driver, was machine-gunned in Mexico City. In that case, too, the killers' identities are unknown. The perpetrators were sufficiently informed to know when Mr. Ibarra would be arriving at the Mexico City airport.

Circumstances suggest there are factions within the police, and burrowed into some circles of government, that work for the drug lords.

Undoubtedly it will take years more to bring the problem under control. In the meantime, President Ernesto Zedillo, the U.S. DEA and the FBI should continue to support Attorney General Lozano's courageous battle.

—Los Angeles Times.

Déjà Vu: A Clinton Second Term Could Parallel Roosevelt's

By David S. Broder

WASHINGTON — Historical parallels are always tempting to journalists. Occasionally, they are even instructive.

I'm not sure about this one, but it is irresistible to note that as plans unfold for next month's celebration of Roosevelt History Month, Bill Clinton is trying to become the first Democrat since FDR in 1936 to be elected to a second term.

That year, too, the Republican challenger was a Kansan, Governor Alfred M. Landon, the father of the much-admired Senator Nancy Landon Kassebaum, Republican of Kansas, who is retiring this year. Her former Senate colleague, Bob Dole, can take some comfort from the fact that the leading poll in 1936, published by the Literary Digest, was wrong; it said Governor Landon would win, but he carried only two states.

Polling has undergone vast improvement since then, and President Clinton's lead over Mr. Dole, while fluttering a bit with short-term events, has remained remarkably steady over the past nine months. It may not be premature to suggest that in two respects at least, it is quite possible that a second Clinton term might have some similarity to Franklin D. Roosevelt's.

The issue in the 1936 election was the economy. Roosevelt had applied the remedies of the New Deal, but the Great Depression lingered. He said his relief and public works programs had brought economic salvation and a degree of hope to millions of the unemployed. Republicans said they had solved nothing and had cost Americans their freedom.

What was not discussed in the 1936 campaign was the growing threat of Nazi Germany and imperial Japan — problems that would increasingly preoccupy FDR as his second term unfolded and war broke out in Europe and Asia. Foreign policy and defense issues are notably missing from this campaign as well, even though, as Richard Haas, a former White House National Security Council official and Brookings Institution scholar, told me, "It is not out of the question that the next presidential term may be more defined by foreign affairs than domestic issues."

In 1936, the campaign focused on the economy. But foreign affairs preoccupied FDR in his second term.

The silence on this subject is particularly odd when you consider that two nations that have preoccupied American military and diplomatic leaders for the past half-century — Russia and China — are likely to face leadership crises during the next presidential term. No one knows what will happen in Russia after Boris Yeltsin, or in China when its aged leaders leave. This past week's headlines reminded us that the troubles in Bosnia, Haiti, the Middle East and the Gulf are not over. But, like the voters of 1936, we Americans today prefer to shut the world out of our thoughts.

The second possible parallel involves the greatest domestic controversy of FDR's second term, his so-called "court-packing" scheme. Angered by Supreme Court decisions striking down several key pieces of New Deal legislation, the re-elected Roosevelt vowed that the "nine old men" would not thwart his designs for another four years. He proposed a bill that would allow him to appoint an additional justice for each member of the court who passed his 70th birthday and did not retire.

The proposal set off a furor in the country, and opposition in the Senate forced FDR to abandon the plan. No subsequent president has sought to restructure the court, but each of them has hoped for the opportunity to reshape its thinking by appointing justices whose philosophy is like their own. Mr. Clinton, who named Justices Ruth Bader Ginsburg and Stephen Breyer during this term, may well have the opportunity, if re-elected, to appoint two or three more — enough to give a decisive imprint to the court. Two of the justices are past 70 and a third is 66 — all Republican appointees.

Mr. Dole has made only fleeting and occasional references to this possibility — even though there are few areas where the results of this election are more likely to move public policy in one direction or another. During the primaries and, occasionally, since winning the nomination, Mr. Dole has drawn applause from Republican audiences by declaring that "no liberals need apply" for judgeships when he is president. Although he voted to confirm both the Clinton nominees, Mr. Dole would unquestionably go in a very different direction if he were making the appointments himself. He would use his opportunities to reinforce the conservative wing of the court headed by Chief Justice William Rehnquist.

Could the second-term parallel extend to a basic conflict between the president and the Senate over the direction of the Supreme Court? It certainly could if — as seems likely today — Republicans maintain their control of the Senate. A Republican Party denied control of the White House might well decide it could not allow Mr. Clinton to put his stamp decisively on the judicial branch as well.

Ah, history.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Election Bets

PARIS — [The Herald says in an Editorial:] It is an American saying that "*money talks*" and it is most applicable to the political campaign in America. The betting on the result of the Presidential election tells most eloquently of the drift of opinion in favor of honest money and of the coming defeat of Mr. Bryan, the free silver candidate. The odds all over the country are in favor of Mr. McKinley. Some of the shrewdest observers in America feel certain that Mr. McKinley will be the next President.

1921: Birth Control

NEW YORK — Birth control, not marriage regulation, as a means toward improving the human race was urged to-day [Sept. 27] at the Eugenic Congress here. Professor Binder, of New York, declared that telling the truth to persons who cannot marry would produce a revolution worse than that proposed by the anarchists. Dr. Irving Fisher, of Yale University, stated that birth control was the greatest factor affecting future character.

1946: Nazi Gold

BRUSSELS — Gold stolen by the Nazis in the Allied countries during the war will be given back by a tripartite commission of representatives of the United States, Great Britain and France, the American delegate at the Inter-Allied Reparations Agency revealed today [Sept. 27]. The estimated value of the gold taken by the Nazis exceeds $700 million. The major part of this gold has been recovered by American forces in Germany in the huge hiding place of the salt mine of Merkers. The commission will also endeavor to divide among the Allied nations gold transferred by the Nazis to other countries.

INTERNATIONAL Herald Tribune

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Airlines Call U.S. Bluff On Gaming

International Ban Goes Too Far, Group Asserts

By Michael Richardson
International Herald Tribune

SINGAPORE — Airlines that object to an American law banning gambling on flights by non-U.S. carriers to and from the United States are considering challenging the law before the International Civil Aviation Organization, the UN agency that regulates aviation worldwide.

Such a move by the 13 European, Asian and Pacific airlines — who call themselves the International Airline Coalition on the Rule of Law — would be intended to put pressure on the U.S. Congress to amend the legislation.

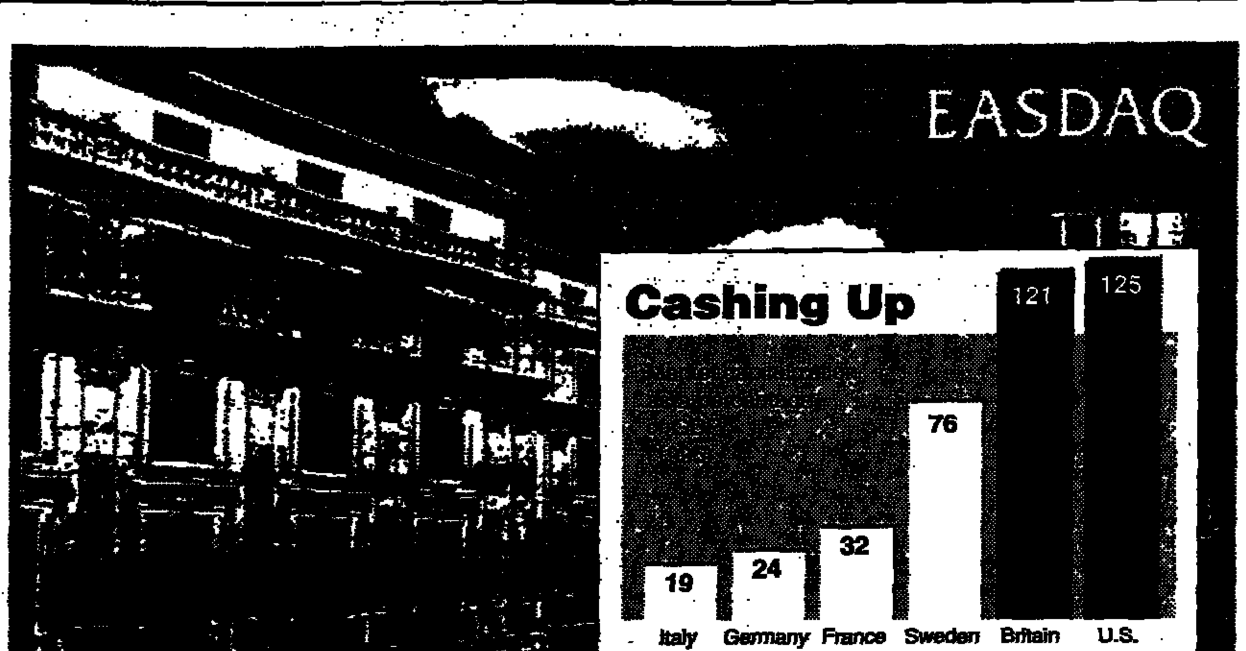
Three of the airlines — British Airways, Singapore Airlines and Swissair — plan to introduce video gambling on their long-haul flights late this year or early in 1997. Other carriers are expected to do likewise, spurred by surveys suggesting that on-board gaming could bring airlines as much as $500 million a year in extra revenue.

The proceeds, in turn, could be used to help finance expensive in-flight entertainment systems that many airlines are installing to attract passengers and stay competitive. But if the two-year-old congressional ban on gambling on flights to and from the United States as well as within the country is maintained, it will cut sharply into the revenue potential of the electronic gaming. The *United States accounts for about* 40 percent of the global air-travel market.

The airline coalition is emphasizing its objection to the application of American law outside U.S. territory — already a major source of contention in Europe and Asia after the recent adoption by Washington of the so-called Helms-Burton law that seeks to penalize non-U.S. companies doing substantial business with Cuba, Iran or Libya.

"If the U.S. government tells us that we cannot have gambling when the aircraft is in U.S. airspace, we could very well understand that," Cheong Choong Kong, deputy chairman and chief ex-

See GAMBLE, Page 15



Europe Takes to Small Business

Warming to Risk, Markets Nurture High-Growth Firms

By Erik Ipsen
International Herald Tribune

LONDON — Early this month, a half-dozen video-server cameras scattered about the Civic Auditorium in Hollywood gave cyberspace its first-ever window on America's Emmy awards, live on the Emmy's own web site.

Such technological wizardry quickly won the seven-year-old firm of Active Imaging a link-up with Apple Computer Inc. to share its know-how on cutting-edge video cameras for the Internet.

What might seem odd about a high-tech success like Active Imaging is not just that it is based in Britain instead of California, but that it has survived that handicap.

In America, specialists say, such a company would find itself besieged by would-be financial backers. In Britain, and to an even greater extent on the Continent, they note that the crush of ready cash chasing hot ideas has yet to materialize.

"If he had started out in Germany instead of America, Bill Gates probably would have gone bankrupt," said Susanne Seibe, who tracks German companies for Merrill Lynch & Co. "German investors would not have paid a single pfennig for a growth company."

Yet that traditional aversion to risk has begun to give way, as Europe starts in earnest to hunt the rewards of nurturing small, high-growth companies, copying America's success.

The shift comes none too early, many economists say, insisting that Europe must throw its weight behind small high-growth companies if it is ever to close its yawning growth and technology gaps with America.

"The receptiveness of equity markets in the U.S. to these types of companies is now seen in Europe as a real advantage," said Bill Martin, chief economist for Deutsche Morgan Grenfell. The burgeoning number of exchanges specifically devoted to the trading in their shares offers the clearest evidence.

Trading on the European Association of Securities Dealers Automated Quotation, or Easdaq, a pan-European market for small, mostly hi-tech companies, begins Monday. It comes on the heels of the opening in the last 14 months of similar national exchanges based in London and Paris. Small Dutch, German and Italian companies are expected to have their own markets by the end of next year.

"Europe's future economic growth will come from smaller, more entrepreneurial companies," said Stanislas Yassukovich, Easdaq's chairman.

Until the opening of London's Alternative Investment Market last year, companies like Active Imaging faced long odds in their search for funding.

"Banks will only lend you money if you have assets," said Raymond Fagan, the company's treasurer. "All we had, basically, was our intellectual property."

Rejected by the banks, in March the company turned instead to the Alternative Investment Market, where it raised £5.5 million ($8.5 million) with its initial public stock offering. Nearly 220 British companies have now made debuts there, netting a total of £662 million. More importantly, they gave a vital shot of cash to some of the Britain's fastest-growing, best job-spawning companies.

"What these new markets are all about is nurturing acorns — high-growth, high-adrenaline companies," said Katie Morris, chief executive of CISCO, a lobbying group for small companies in Britain.

In Frankfurt, the bourse's small-company market is to opens in March after a long campaign by politicians and business executives.

Germany's government, under pressure

See RISK, Page 15

Wolfensohn Outlines Project to Reduce World Bank Overhead

By Alan Friedman
International Herald Tribune

WASHINGTON — The president of the World Bank outlined plans Friday for a radical shift in the bank's strategy that will cut overhead costs at headquarters in order to redirect resources toward new social and training priorities in developing countries.

James Wolfensohn said in an interview here that the aim of the plan will be to pare back administrative expenses and then re-invest the money saved in new "front-line" priority sectors such as improving education and health, information technology training, assistance in promoting banking reform, and achieving better environmental standards.

These newer areas, Mr. Wolfensohn explained, will require a small increase in the Bank's 1997 budget, which will be recouped by cost cuts that will be pushed through by the 1998-1999 fiscal year. The amount that will ultimately be saved is estimated by Bank officials at up to 20 percent of overhead, meaning about $100 million.

"I intend to cut costs and I intend to set up in the coming weeks a group that will look at everything from paper clips to process," Mr. Wolfensohn explained. "We then hope to have a cost cutting plan ready to be proposed to the board in two to three months," he said.

The proposal to cut costs appears aimed in part at making more politically palatable Mr. Wolfensohn's hopes of redirecting Bank resources. The Bank's shareholders, and especially the United States, Britain and Germany, have long suggested that the bank should follow their own example and make spending cuts.

Mr. Wolfensohn, who will be discussing his plan with government ministers attending next week's annual World Bank/IMF meetings here, also said that the Bank would not replace a number of retiring officials over the next three years. This would result in a 10 percent to 15 percent reduction in the size of the Bank's core staff of 6,400 permanent employees over the next three years. New jobs, however, might be created for the front-line overseas services that are becoming more important than traditional project lending as Mr. Wolfensohn seeks to redefine the World Bank's mission.

The plan is part of a drive by Mr. Wolfensohn to reorganize the Bank's structure as well as its policy goals. "He has been in office for 15 months now," said Mark Malloch Brown, a World Bank vice president, "and having focused on retooling the operation last year he is now beginning to take the Bank in a fundamentally new direction."

Mr. Wolfensohn saidhe had told senior managers on Wednesday he would form a "cost-cutting group" that will examine ways to save money. The group will include outside management consultants.

French Joblessness Hits 12.6%

Compiled by Our Staff From Dispatches

PARIS — The number of people out of work in France hit a record high in August of 12.6 percent, official figures released on Friday showed.

The number of people unemployed in August, adjusted for seasonal variations, rose 39,500, to 3,085,100.

The figures raised fears of a slowdown in consumer spending and growth and were bad news for the government of France's Prime Minister Alain Juppe, which has made tackling unemployment one of its top priorities. Mr. Juppe, who faces social unrest this fall, has demanded a vote of confidence vote in Parliament on the government's economic policy for Tuesday.

But the government received some cheer on the export front with preliminary figures showing France's trade surplus had jumped to 11.10 billion francs ($2.1 billion) from a revised surplus of 9.78 billion in June. *(Reuters, Bloomberg)*

ECONOMIC SCENE

World Bank Grapples With New Order

By Paul Blustein
Washington Post Service

WASHINGTON — Thousands of government officials, financiers, activists and journalists from around the world are now converging on Washington for next week's annual meetings of the International Monetary Fund and World Bank.

On the surface, the events will look the same as they have in the past, with fleets of limousines clogging the city's streets and elegantly dressed international entourages sweeping into exclusive hotels and clubs. But on another level, big changes are under way.

The phenomenon driving these changes is the flow of private funds to developing countries, which has soared in recent years from the modest level of the mid-1980s. According to the Washington-based Institute of International Finance, the developing world will attract a record $225 billion in capital this year from mutual funds, pension funds, multinational corporations, banks and other private institutions.

The nature of this new world financial order can be glimpsed this weekend as executives from the 220 banks and investment companies belonging to the institute attend presentations by finance ministers and other top officials from some of the world's hottest emerging markets, including Argentina, Indonesia, South Africa, China, Brazil, Mexico and the Czech Republic.

The flood of private capital into developing countries holds enormous potential, not only for spurring economic growth around the globe but for helping alleviate wretched conditions in Third World slums and villages.

Richard Frank, a World Bank managing director, cites what he calls "the fiscal space argument," which runs as follows: Because developing countries now can get foreign companies to finance big projects such as power plants and telecommunications systems, their governments can shift spending away from those things toward urgent social needs, such as education and health.

But problems remain, in abundance. Scores of poor countries, including most of those in Africa, are being left behind in the global economic sweepstakes, as the bulk of the private capital is flowing into only about 20 nations, led by China, that offer attractive investment prospects.

One worry, voiced by advocates for the Third World poor such as Nancy Alexander of Bread for the World, is that developing countries will compete ever more fiercely for funds by casting aside already weak labor and environmental standards.

Moreover, the surge in private funds is posing awkward questions for the two institutions holding the coming week's meeting, especially the World Bank.

The World Bank and other government institutions used to control the lion's share of the money going to the Third World, and the bank gained considerable influence over the policies of developing countries as a result of the billions of dollars it lent them for dams, roads, schools and hospitals.

Now, however, the $55 billion that the World Bank and other official sources sent to the developing world last year looks almost paltry by comparison with the sums gushing from the private sector. This means the bank must position itself for a new role in this changed environment, lest it become a bit player in all but the world's most desperate economies.

"The question is, 'Is the bank helping to facilitate private capital flows, and is it helping to facilitate them especially to where they're not going yet?'" said Richard Richardson, a former World Bank official.

One of the bank's affiliates, International Finance Corp., is supposed to perform that mission. Established 40 years ago, the IFC invests in projects in a variety of industries with the aim of catalyzing additional private investment in developing countries.

But the agency is required to earn a profit, and critics say that it has historically played it safe in relatively prosperous parts of the Third World and in activities such as cement factories or hotels that do little to alleviate poverty.

The agency is responding to criticism with, among other things, a program expanding its reach into 16 "high-risk" countries such as Cambodia, Mongolia, Senegal, Uzbekistan and Guyana. Meanwhile, the World Bank's main arm is putting more emphasis on helping poor countries strengthen their legal and financial systems to attract investors.

CURRENCY & INTEREST RATES

Cross Rates

Sept. 27

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.711	2.675	1.1219	0.322	0.1124*	—	5.44*	1.362	1.5436*	1.255	1.3346*
Brussels	31.38	48.815	20.59	6.0915	2.063*	18.3546	—	25.0125	0.2802	22.96	24.51*
Frankfurt	1.5123	2.3700	—	0.2959	0.1003*	0.8912	4.8577*	1.215	1.3757*	1.1151	1.1803*
London (a)	1.563	—	2.362	8.0569	2,380.31	2.6718	48.455	1.9614	172.39	2.1317	200.3014
Madrid	128.293	200.291	84.809	24.877	8.421*	74.960	4.0854	102.005	115.663*	93.864	—
Milan	1,521.30	2,375.80	999.48	295.25	—	891.40	48.494	1,212.95	13.766	1,111.95	11.864
New York (b)	—	1.5641a	1.5243	5.1535	1,520.00	1.7094	31.39	1.2565	110.85	1.3637	128.92
Paris	5.157	8.051	3.3806	—	0.3389*	3.0135	0.1642	4.104	4.6493*	3.7731	4.02*
Tokyo	110.65	172.80	72.60	21.40	0.729	64.70	3.5284	88.24	—	80.93	0.8631
Toronto	1.3633	2.1331	0.8944	0.2645	0.0893*	0.7975	0.4344*	1.0847	1.2285*	—	1.064*
Zurich	1.2545	1.9624	0.8235	0.2434	0.0824*	0.7341	3.9991*	—	1.1325*	0.9201	0.9792*
1 ECU	1.2581	0.8058	1.9192	6.488	1,914.47	2.153	39.5871	1.5809	139.547	1.7196	161.388
1 SDR	1.4424	0.9227	2.1968	7.4384	2,194.93	2.4484	45.2045	1.8088	159.528	1.9727	185.420

Closings in Amsterdam, London, Milan, Paris, and Zurich, fixings in other centers: New York and Toronto rates at 3p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	240.69	Mex. peso	7.523	S. Afr. rand	4.53
Australian $	1.2625	Hong Kong $	7.7327	N. Zealand $	1.4306	S. Kor. won	821.10
Austrian sch.	10.72	Hung. forint	157.42	Norw. krone	6.4973	Swed. krona	6.6247
Brazil real	1.032	Indian rupee	35.68	Phil. peso	26.25	Taiwan $	27.48
Chinese yuan	8.3321	Indo. rupiah	2318.40	Polish zloty	2.80	Thai baht	25.41
Czech koruna	26.97	Irish £	0.6248	Port. escudo	155.02	Turkish lira	91056.0
Danish krone	5.8515	Israeli shek.	3.1907	Russ ruble	5394.00	UAE dirham	3.6705
Egypt. pound	3.3925	Kuw dinar	0.2993	Saudi riyal	3.75	Venez. boliv.	472.50
Fin. markka	4.5565	Malay. ring.	2.5078	Sing. $	1.4078		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5604	1.5600	1.5598	Japanese yen	110.40	109.95	109.47
Canadian dollar	1.3648	1.3631	1.3611	Swiss franc	1.2507	1.2463	1.2419
Deutsche mark	1.5213	1.5182	1.5148				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Sept. 27

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 1/4 - 5 5/16	3 - 3 1/8	1 1/4 - 1 3/8	5 1/2 - 6	3 3/8 - 3 1/2	7/16 - 1/2	4 7/16 - 4 9/16
3-month	5 1/2 - 5 5/8	3 - 3 1/8	1 3/8 - 1 1/2	5 5/8 - 6	3 3/4 - 3 7/8	7/16 - 9/16	4 7/16 - 4 9/16
6-month	5 11/16 - 5 13/16	3 1/16 - 3 1/4	1 7/16 - 1 9/16	5 5/8 - 6	3 13/16 - 3 7/8	1/2 - 5/8	4 1/2 - 4 5/8
1-year	5 3/4 - 5 7/8	3 1/8 - 3 1/4	1 5/8 - 1 3/4	5 7/8 - 6 1/4	3 15/16 - 3 3/4	9/16 - 3/4	4 13/16 - 4 15/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 1/4	5 3/8
3-month CDs	4.85	4.85
CP 180 days direct	5.42	5.42
3 month Treasury bill	5.02	5.00
1-year Treasury bill	5.36	5.34
2-year Treasury bill	6.06	6.04
5-year Treasury note	6.43	6.41
7-year Treasury note	6.53	6.52
10-year Treasury note	6.67	6.66
30-year Treasury bond	6.90	6.89
Merrill Lynch 30-day RA	4.86	4.86
Japan		
Discount rate	0.50	0.50
Call money	0.43	0.42
1-month interbank	0.56	0.56
3-month interbank	0.56	0.56
6-month interbank	0.63	0.63
10-year Gov't bond	2.88	2.85
Germany		
Lombard rate	4.50	4.50
Call money	3.05	3.05
1-month interbank	3.12	3.12
3-month interbank	3.16	3.12
6-month interbank	3.17	3.16
10-year Bund	6.09	6.08

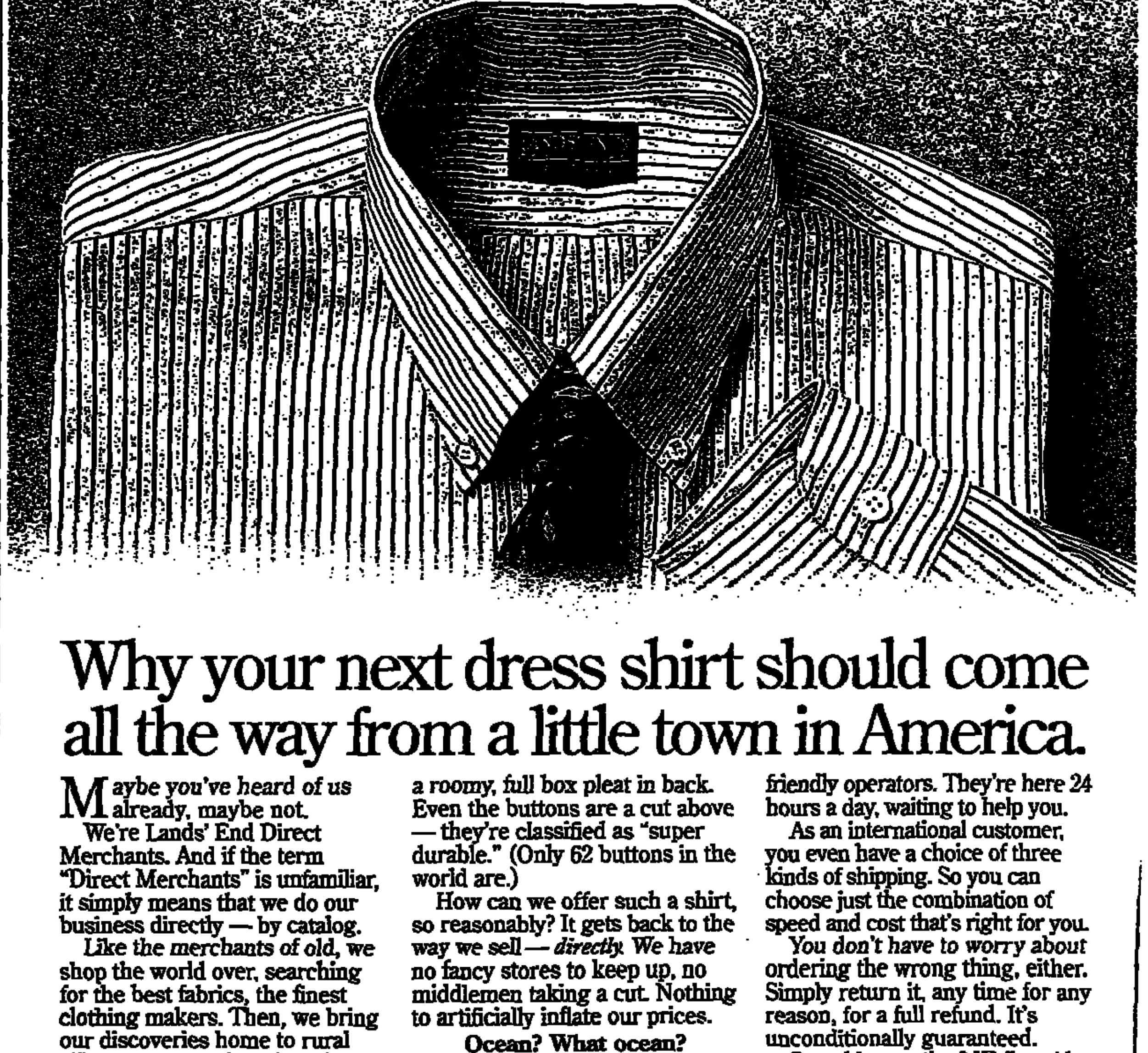
Britain		
Bank base rate	5 3/4	5 3/4
Call money	5 13/16	5 3/4
1-month interbank	5 7/8	5 7/8
3-month interbank	5 7/8	5 7/8
6-month interbank	5 15/16	5 15/16
10-year Gilt	7.65	7.69
France		
Intervention rate	3.25	3.25
Call money	3 7/16	3 1/4
1-month interbank	3 7/16	3 7/16
3-month interbank	3 9/16	3 7/16
6-month interbank	3 1/2	3 9/16
10-year OAT	6.10	6.28

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	381.05	380.75	+0.40
London	380.30	380.70	+0.15
New York	383.30	382.80	—0.80

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.



Why your next dress shirt should come all the way from a little town in America.

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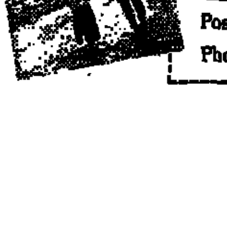
Flip through our catalog, and you'll see that shopping our way has all sorts of advantages — starting with the products.

Take our Pinpoint Dress Shirt, for example. It has features that are tough to find anywhere — especially, at our price. The fabric is silky and smooth, the result of a tight weave and what shirtmakers call "80s 2-ply yarns." Our shirtmakers tailor in such classic, Old World features as a genuine split-back yoke and a roomy, full box pleat in back. Even the buttons are a cut above — they're classified as "super durable." (Only 62 buttons in the world are.)



How can we offer such a shirt, so reasonably? It gets back to the way we sell — *directly.* We have no fancy stores to keep up, no middlemen taking a cut. Nothing to artificially inflate our prices.

Ocean? What ocean?

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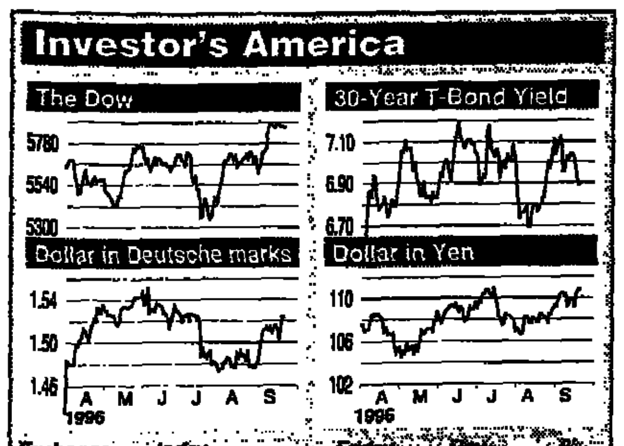
THE AMERICAS

Investor's America



Exchange	Index	Friday Close	Prev. Close	% Change
NYSE	The Dow	5872.92	5868.85	+0.07
NYSE	S&P 500	686.19	685.86	+0.05
NYSE	S&P 100	661.06	661.58	-0.08
NYSE	Composite	366.27	365.99	+0.08
U.S.	Nasdaq Composite	1230.05	1238.51	-0.68
AMEX	Market Value	568.47	567.19	+0.23
Toronto	TSE Index	5301.05	5304.62	-0.07
São Paulo	Bovespa	64964.60	65285.50	-0.49
Mexico City	Bolsa	3236.79	3229.63	+0.22
Buenos Aires	Merval	555.65	551.91	+0.68
Santiago	IPSA General	5430.25	5431.82	-0.03
Caracas	Capital General	5450.62	5177.04	+5.28

Source: Bloomberg, Reuters. International Herald Tribune

Very briefly:

AT&T's Costly Computer Foray

NEW YORK (NYT) — AT&T Corp.'s foray into computers cost it $1 billion more than previously thought, according to a filing the company made Thursday with the Securities and Exchange Commission.

AT&T pumped $2.8 billion in cash into NCR Corp., its troubled computer subsidiary, from 1993 through the first half of 1996. It plans to inject $487 million more before it spins off NCR to its shareholders at the end of the year, according to the document, roughly $1 billion more than most analysts estimated.

Whirlpool Braces for Lower Profits

BENTON HARBOR, Michigan (Bloomberg) — Whirlpool Corp. said it expects third-quarter profit from operations to be about 35 percent to 40 percent less than a year earlier.

The maker of washing machines, refrigerators and other appliances also lowered its expectations for the full-year results, saying business has been particularly poor in Europe.

"This problem raises questions about their high-energy, aggressive global diversification efforts," said Jonathan Goldfarb, an analyst at Merrill Lynch & Co.

• **The A.H. Belo Corp. of Dallas** plans to buy **The Providence Journal Co.** of Rhode Island, for $1.5 billion in cash and stock in a deal that would tighten the consolidation of ownership in broadcasting.

• **Aluminum Co. of America** will cut 2,900 jobs worldwide and take $65.5 million in third-quarter charges in a plan to pare administrative and sales costs by 25 percent a year.

• **Robert Holland**, president and chief executive of **Ben & Jerry's Homemade Inc.**, the ice cream maker, is resigning as after less than two years in the job. The company said earlier it expected third-quarter earnings to be "materially" below last year's.

NYT, Bloomberg, Reuters

PepsiCo Recasts Itself Abroad

By Kenneth N. Gilpin
New York Times Service

NEW YORK — Sending a signal that it is losing its global struggle with Coca-Cola Co., PepsiCo Inc. said it was moving to immediately revamp its international operations and that it would take a total of more than $500 million in charges in the third and fourth quarters to cover the costs.

Late Thursday, Pepsi also said it was reviewing its commitment to its casual-dining business and would expand its program of selling company-owned Pizza Hut, Taco Bell and Kentucky Fried Chicken restaurants to franchisees.

But to securities analysts, Pepsi's retrenchment abroad — the second time it has scaled back its international operations in the last 15 years — was the big news. A beverage analyst with Oppenheimer & Co., Roy D. Bury, said, "Coke has come down hard on Pepsi internationally and in every country has a specific growth strategy to blow Pepsi out of the market."

Foreign beverage sales accounted for about a third of the $10.5 billion worth of soft drinks Pepsi sold last year, but less than 20 percent of the group's operating profits.

To turn its international beverage operations around, Pepsi said it intended to cut annual operating costs by more than $100 million. The company did not provide details on how it intended to realize the savings. Pepsi has roughly 14,000 employees overseas.

■ **Coca-Cola Settles Tax Disputes in Its Favor**

Coca-Cola Co. said Friday it expected a $230-million third-quarter gain after settling a host of tax disputes with the Internal Revenue Service, Bloomberg Business News reported from Atlanta.

The settlement ends negotiations that go back to 1981. The tax rate mandated by the IRS was higher than the rate Coca-Cola argued it owed, and the negotiations were concluded in the company's favor. Since 1981, Coca-Cola said, it has paid $2.7 billion in federal and state taxes in the United States.

Shares of Coca-Cola fell 62.5 cents, to $50.875 per share.

U.S. Revises GDP Down

Reuters

WASHINGTON — The economy expanded at a slightly less robust rate in the second quarter than previously reported, the Commerce Department said Friday, but the economy still grew at the fastest rate in two years.

The gross domestic product grew at a 4.7 percent annual rate instead of 4.8 percent in the three months from April through June, the government said in a final revision of second-quarter activity.

The main reason for slightly downward revision was due to federal government spending that was not quite as strong as estimated. The Commerce Department said federal spending climbed at a $10.5 billion annual rate instead of $11.9 billion estimated a month ago.

The pace of expansion has begun to slow since midyear, with most analysts forecasting growth in a range of about 2 percent to 2.5 percent in the final six months of the year.

The last time the economy grew more vigorously was in second-quarter 1994, when it climbed at an annual 4.9 percent rate.

GDP measures the value of all goods and services produced by workers and capital within U.S. borders.

Stocks Mixed on Earnings Concern

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks were mixed Friday after PepsiCo and Whirlpool told investors that earnings in the current quarter would be lower than expected.

Money managers also had to find room for 15 companies that went public on Friday, bringing to a record $35 billion the amount of money raised in initial public offerings this year. New stocks compete with existing issues for investors' dollars, and a flood of them can sometimes hinder the stock market from advancing.

The Dow Jones industrial average closed 4.07 points higher, to 5,872.92, but six stocks rose for every five that fell on the New York Stock Exchange.

Meanwhile, the benchmark 30-year Treasury bond fell 5/32, to 98 3/32, for a yield of 6.90 percent, up from 6.89 percent on Thursday. Traders said they were reluctant to drive yields down without more evidence the economy is slowing enough to keep inflation at bay.

With stock prices near a record, shares are "vulnerable to disappointment on either the interest-rate or earnings fronts," said Charles Comer, head of U.S. equity research at Credit Lyonnais Securities "I wouldn't be surprised by a couple of single-day, hard hits on the downside, but I don't think that changes the basic trend, which is upward."

U.S. STOCKS

Pepsi was the most active NYSE issue. On Thursday, it forecast weak third-quarter earnings, and on Friday, it announced an overhaul of its international operations. The company's shares sank 2¼ to 28⅛.

Charles Pradilla, strategist at Cowen & Co., said concern about earnings was now the biggest risk to the stock market, more so than interest rates.

Appliance makers were se back when Whirlpool said it expected third-quarter profit from operations to fall as much as 40 percent below last year's earnings because of weak demand in Europe. Whirlpool tumbled 1⅜ to 50½ and American depositary receipts of Electrolux AB of Sweden fell ⅜ to 56, and Maytag eased ½ at 19¼.

Aluminum Co. of America slipped ¼ to 58¾ after it said it would cut 2,900 jobs, or 4 percent of its work force, and take a $65.5 million charge, as part of a previously announced plan to slash sales and administrative costs by 25 percent.

Swiss watchmaker Tag Heuer International SA sold $490 million of stock in its first day of trading. Its American depositary receipts were priced at $19.55 each and rose 45 cents to 20.

Univision Communications soared 8½ to 31½ after the Spanish-language broadcaster sold 8.2 million shares at $23 each, raising $180 million.

Providence Journal rose 8 to 28⅞ on news A.H. Belo, publisher of The Dallas Morning News, would buy the company for $1.5 billion. *(Bloomberg, Reuters)*

Dollar Climbs as Traders Shun Mark

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose against the Deutsche mark amid growing optimism the European monetary union would proceed on schedule.

Speculation mounted that the single currency would start on time in 1999 as Italy and Spain took steps to reduce their budget deficits to 3 percent of gross domestic product, as required by the single currency criteria set forth in the Maastricht treaty.

"The progress made by Italy and Spain on their budgets helps fuel the fire of speculation that EMU looks more viable," said Tom Benfer, director of foreign exchange at Bank of Montreal/Harris Bank. "That's supporting the dollar against the mark."

The mark tends to decline when prospects for the monetary union improve, since the German currency would lose its safe-haven status.

FOREIGN EXCHANGE

Italy's 1997 budget, which the cabinet is expected to approve Saturday, would pare the deficit to 3 percent of gross domestic product. Spain's budget, approved by the cabinet today, also projects a budget deficit equal to 3 percent of GDP next year.

The dollar climbed despite U.S. second-quarter GDP data showing that the economy expanded by 4.7 percent, slightly less than the previous estimate of 4.8 percent.

But traders said their attention was focused on other data, including the National Association of Purchasing Management data and payrolls numbers, scheduled for release next week.

In late trading, the dollar was quoted at 1.5241 DM, up from 1.5237 DM on Thursday.

The U.S. unit also rose to 110.85 Japanese yen from 110.67 yen, to 1.2560 Swiss francs from 1.2545 francs, and to 5.1547 French francs from 5.1275 francs. *(AFX, Bloomberg)*

AMEX

Friday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AMC	1131	14⅞	14	14¼	–⅛
AMC pf	256	30⅛	30	30	+⅛
ARC	618	3⅝	3⅜	3½	–
ATT Fd	99	75⅛	74¼	74⅝	–⅞
AckCom	220	33⅞	33	33⅞	+⅜
AcmeU	201	3 11/16	3½	3½	–1/16
Action	174	2	1 15/16	2	–
AdvFin	1316	1⅞	1 13/16	1 13/16	+⅛
AdvMed	1789	3⅛	2 15/16	3	–
AdvThr	307	35⅝	35⅛	35⅜	+⅛
AirWat	93	7¼	7	7⅛	–
AHooper	195	14	13⅞	13⅞	–⅛
Allin	142	1 11/16	1⅝	1⅝	–⅛
AlldDgtl	295	3⅛	3	3 1/16	+1/16
Alphain	93	7⅝	7⅜	7⅜	–⅛
AlpinGr	740	6⅞	6 11/16	6⅞	+⅛
AltLivng n	311	14⅜	14	14⅜	+⅜
Amdhl	5735	9⅝	9 7/16	9½	+⅜
Am List	85	27⅞	27¼	27⅝	–⅛
AmerPac	157	5⅞	5⅜	5⅝	+⅛
ASdE	170	15⅛	14⅞	15⅛	+⅛
Ampex n	3134	7⅞	7½	7⅞	+⅜
AstLiving	263	18⅛	18	18⅛	+⅛
Astrotc	166	5⅝	5 7/16	5⅝	+⅛
Audvox	2327	6⅞	6⅝	6⅝	–¼
Autotote	366	1⅛	1 1/16	1⅛	
AvivaPet	130	4⅛	3⅞	4⅛	+1
Azco	2395	1⅞	1½	1⅝	+1/16
Baker	370	5	4⅞	5	+⅛
Baldw	85	2 11/16	2⅝	2 11/16	+1/16
BT dep	874	24 13/16	24⅜	24⅝	
BS MRK	110	47⅞	47	47⅝	+⅛
BemaGold	2712	7 11/16	7	7⅛	–⅜
BentPh	227	3⅝	3¼	3⅜	+⅛
BentPh wt	109	1 11/16	1 9/16	1⅝	+1/16
BinksM	317	22⅜	21⅛	22⅛	–⅛
BioR A s	102	28⅞	28¼	28⅞	
Biovail s	1313	35⅛	33⅝	34⅛	–1⅛
BollTch n	360	5 9/16	5	5⅜	–7/16
Bostnld n	148	13⅛	13	13⅛	+⅛
Bowne	344	22⅞	22	22⅝	+⅜
Brscn g	92	18⅞	18½	18½	–
Bufton	105	2⅝	2⅛	2 9/16	–1/16
CE Frnk g	408	3⅞	3¼	3¼	–⅝
CFX Cp	115	14⅞	14⅝	14⅝	–⅛
Cablvsn	141	43⅛	43¼	43⅜	+⅛
Cablvs pf	110	24⅜	24⅜	24⅜	–

Stock	Sales	High	Low	Latest	Chge
Glotflt	277	17⅛	16⅞	16⅞	–
GoVideo	178	1⅞	1 13/16	1⅞	+1/16
GldStrR	480	15⅜	15⅛	15⅜	+⅛
GldFld	128	⅞	⅞	⅞	–
Grang g	79	1½	1 7/16	1½	+1/16
GreyLine	3581	3⅜	3¼	3⅜	–⅛
GrifGam	84	20⅝	20⅛	20⅝	+⅛
GrSmec	722	4⅞	4⅝	4⅝	–⅛
GulfLb	191	7	6⅞	6⅞	–⅛
Halsey	149	4⅛	4	4⅛	–⅛
HalterM n	2497	12⅞	11⅞	12⅝	+⅛
HangOr	203	7	6⅞	6⅞	–1/16
HanvDir	403	1	15/16	1	–
Han wtB	150	1/16	1/16	1/16	–
Harken	3798	2⅝	2 9/16	2 11/16	–
Hasbro	1237	37⅛	37⅛	37⅜	+⅛
HowAir	232	3 13/16	3⅝	3⅝	–
HlthPro s	322	3⅝	3⅜	3½	+⅛
Hearx n	2904	3⅛	2 15/16	3	–
Hondo	143	15⅜	14⅞	15	+⅛
HoosHl	741	15⅛	14⅞	15	+⅛
HovnEn	154	5 11/16	5⅝	5 11/16	–
ICG Com	506	21½	20⅞	21⅛	–⅜
IGI	284	6⅞	6⅜	6⅞	+⅛
Identix	520	9⅞	9⅜	9½	+⅛
ImpCM n	288	21⅛	20⅞	20⅞	+⅛
ImpOil g	1229	42⅝	42⅛	42¼	–⅛
InCPd	133	3	2 15/16	3	–
InFinSv	76	22⅛	21¾	22	+⅛
InterDig	1208	7 9/16	7⅜	7⅜	
Intrmagn	351	14⅛	13⅞	13⅞	–⅛
IRIS	145	7⅞	7 11/16	7 11/16	–⅛
IntlPoly s	122	22⅞	22⅝	22⅝	+⅛
IonLaser	149	13⅞	13⅝	13⅝	–⅛
IvaxCp	3425	16⅛	15⅞	15⅞	–⅛
JTS Corp	2365	5 9/16	4 13/16	4⅞	–⅝
JanBell	1658	2⅜	2 5/16	2⅜	–1/16
KV Ph B	79	12	11⅞	11⅞	+⅛
KatzM	1001	9	8⅞	9	–
Keane	300	47	46½	46¾	+⅛
KeyEng	195	8 9/16	8⅜	8 9/16	–1/16
Kiern	178	8⅞	8⅝	8⅝	–⅛
Kinark	144	3⅛	3	3	–⅛
Kirby	5792	18	17⅞	17⅞	+⅛
KogrEq	214	15⅞	15⅝	15⅝	–⅛
LXRBiot	220	2¼	2 3/16	2¼	+1/16
LaBarg	1295	6½	6 7/16	6 7/16	+⅛
LsrTech	105	4⅞	4⅝	4⅞	–
LeHK 96wt	1078	4 11/16	4⅝	4⅝	–⅛
LehSTC wt	735	5⅝	5⅛	5⅛	–⅜
MAI Sys	82	8⅛	7⅞	8⅛	+⅛
MHM Serv	100	¾	⅝	¾	–
MSR	290	1 5/16	1¼	1 5/16	–
Magellan	283	20⅛	19⅞	20⅛	+⅛

Stock	Sales	High	Low	Latest	Chge
Shopco	443	1 15/16	1⅞	1 15/16	+1/16
SmthmM	89	14⅝	14¼	14⅝	–⅛
ShnBnc n	173	13⅛	13	13⅛	+⅛
SCEd44	138	25¼	24⅞	25⅛	–⅛
Stage	80	3	2 15/16	3	–
SPDR	2673	68 21/32	68⅛	68 19/32	–1/16
SP Mid	128	48⅝	48⅛	48⅜	–⅛
StarrtCp	147	11⅛	10⅞	11⅛	+⅛
Stephan	129	12¼	12⅛	12⅛	–⅛
Sulcus	285	2⅜	2⅛	2⅛	–1/16
Technlnl	464	28⅞	28¼	28⅝	
TelDta	803	40⅝	40⅛	40⅝	+½
Tenera	303	⅞	13/16	13/16	–1/16
TexarkF	89	14⅞	13⅞	14⅛	–⅛
TexBiotch	769	3⅝	3⅜	3½	–⅛
TexMer	495	15⅛	14⅞	14⅞	–⅛
Thermed	435	25¼	24⅞	25⅛	+⅛
ThrmBio n	136	14	13⅞	13⅞	+⅛
ThCar s	1595	37⅛	35⅜	37	+2¼
ThrFib un	237	12⅝	12½	12⅝	–
ThrmFib s	217	13⅛	13⅛	13⅛	+⅛
ThrInst	110	37⅛	36⅞	37⅛	–⅛
ThrmOp n	109	15⅛	15	15	–⅛
ThrOptk n	125	15	14½	15	+¼
ThrmPw	298	10	9 15/16	9⅞	–⅛
ThrmRe	675	10⅝	10⅜	10½	+1/16
ThrSent n	88	11⅞	11⅛	11⅛	–⅛
ThrSpect	103	14	13⅞	14	+⅛
ThrVolt s	291	14⅛	13⅞	13⅞	+⅛
Thrmotse	348	24⅛	23⅞	23⅞	–⅛
Thrmotx	1312	36⅛	35	36	+⅛
Thrmwd	83	2⅜	2 5/16	2⅜	+1/16
TopSrce	1082	4⅝	4 9/16	4⅝	+1/16
TotlPet	120	10⅛	10⅛	10⅛	–
TownCty	923	1 1/16	1	1	–
TWA wt	133	5⅝	5 9/16	5⅝	–

Stock	Sales	High	Low	Latest	Chge
TWA	7963	9⅝	8 15/16	9⅝	+⅛
Trnsmnt n	461	10⅝	10⅛	10⅛	–⅜
Trtron	171	17⅞	16¼	16¼	–1¼
TrexMed n	215	21	20	20¼	–⅞
TrpAG97	110	9 11/16	9⅝	9 11/16	+1/16
Trilon	3337	⅞	1 1/16	1 1/16	–
TubMex	397	10⅝	10⅜	10⅝	–
TurnB A	125	28	27⅞	28	
TurnB B	118	28⅛	27⅞	28⅛	+⅛
US Alc	2090	2 15/16	2 11/16	2 13/16	–1/16
Unilab	126	⅞	13/16	13/16	–
Unimar	92	4⅞	4⅝	4⅞	
USBiosci s	965	13⅛	12⅞	13	–⅛
US Cell	107	30⅞	30¼	30¼	–⅛
UnitelV	519	6⅞	5⅞	6 11/16	+1/16
Unchlm s	178	12⅞	12⅝	12⅞	+⅛
Viacom	814	34½	34	34⅜	+⅛
ViacB	6049	34⅞	34	34⅞	+⅛
Viac wtC	317	¼	3/16	¼	–
Vitronic	4877	1½	1⅜	1½	–
WRIT	389	15⅛	15⅛	15⅛	–
WIRET	131	12⅞	12⅝	12⅝	–
WshTc	128	1⅞	1⅝	1⅞	–
WirelssT s	367	9⅝	9⅜	9⅜	–
ecWizTch	357	3 7/16	3⅜	3⅜	–1/16
WEBGer n	203	14	13 15/16	13⅞	–1/16
WEB Ita n	346	14 11/16	14⅝	14 11/16	+⅛
WEB Jpn n	348	14⅞	14⅞	14⅞	+⅛
WEB Mex n	127	11 11/16	11 9/16	11 9/16	–1/16
WEB Neth	280	17⅛	17⅛	17⅛	–
WEB Sing n	264	11 9/16	11 9/16	11 9/16	–
WEB Swz n	92	11⅞	11⅞	11⅞	–
XCL Ltd	1824	⅛	3/32	⅛	–
Xytron	142	1⅞	1 13/16	1 13/16	–1/16
Zonart wt	281	4⅛	3⅞	4⅛	–⅛
Zonart	428	10⅛	9⅞	10	–½

Stock	Sales	High	Low	Latest	Chge
Cotton	120	⅝	⅝	⅝	
Cambior	127	14⅝	13⅞	14⅝	+⅛
CdnOcG s	496	16¼	16⅛	16¼	+⅛
CanyonRs	342	2⅝	2½	2⅝	–
Cardich n	169	1⅞	1⅜	1 9/16	+1/16
CenteniT	571	38⅞	38⅛	38⅞	+1⅛
CFCda g	795	4⅝	4⅜	4 7/16	–
ChadThr s	305	19⅛	18⅞	19	+⅛
ChevSoft	8143	22¼	21⅞	21⅞	+½
Chief	662	20⅝	20¼	20¼	+¼
Citizinc	182	8⅛	7⅞	8	–⅛
ColLb	674	12⅛	11⅞	12	+⅛
Comforce	107	18⅝	17⅝	18⅛	+⅜
CmclAst	97	6 11/16	6 9/16	6 9/16	–
CmdrAp n	161	7⅛	7	7	–⅛
CmdrA wt	140	2⅛	1 15/16	2 1/16	–1/16
Cmdrinc	113	2⅜	2⅛	2⅛	–⅛
CornchB n	92	12⅞	12⅝	12⅝	–⅛
Cross	412	11½	11⅛	11⅛	+⅛
ecCrwnL	529	1⅛	1 1/16	1⅛	+1/16
Cycom as	839	5 1/16	4⅞	5 1/16	+1/16
DI Ind	902	1⅜	1 5/16	1⅜	+⅛
DotolaM	1035	2¼	2⅛	2⅛	+1/16
ecDailG	89	1¾	1⅝	1¾	–
Dotomet	204	1⅜	1¼	1⅜	–
Dotaram	92	7⅝	7⅜	7⅝	–⅛
Dexter	220	14½	14⅛	14½	+⅛
DaytonMn	2933	7⅝	6⅞	6⅞	–⅝
DenAmer	593	4	3⅞	3⅞	
DevnE	160	25	24⅞	24⅞	+⅛
DiagRet	171	10⅞	10⅝	10⅞	+⅛
Diodes	81	7⅞	7½	7⅞	–
DryMu	132	9⅝	9½	9⅝	+⅛
Ducom	170	17⅞	16½	17	+½
EZ Serv	335	15⅝	15	15⅝	
EchoBay	4796	8⅞	8½	8⅝	–⅛
Edisto	179	10	9⅞	10	+⅛
Editek	155	¾			
ElPasoE n	238	3⅞			
Elsmth	106	9			
Emerit n	236	16	15⅞	15⅞	+⅛
EmpCar	259	2⅛			
Enzo	189	5⅜			
Equusll	871	18⅛	17⅝	18⅛	+⅛
FarmT un	1761	16⅞	16⅜	16⅞	+¼
Fibrbd	90	4⅜			
FAust	402	35⅛	34¾	35	+⅛
FAusPr	97	8⅜			
Fibber	1665	8⅝			
FortnLb	326				
FortPet	546	34⅜	34	34⅜	+⅛
FrnkSel	245	2⅞	2¾	2⅞	
Fresenius	385	3			
Friedm	702	27⅛	26⅞	26⅞	+⅛
Frischs	101	4⅜			
GST Tele	180	14⅝	14⅛	14⅝	+⅛
GovtCl	837	11⅝	11⅜	11⅝	–⅛
GalmSci	1274	7⅜	6⅞	7⅜	+⅛
GnAuto	107	28⅞	28⅝	28⅞	+½
GrEme	852	7⅞	7⅝	7⅝	
GenvDr	149	13⅝	13	13	+⅛
GeoRsd	117	14	13⅞	14	+⅛
GeoRsGd	428	46	45½	46	+1⅛
GiantFd	526	34⅛	34	34⅛	+⅛

Stock	Sales	High	Low	Latest	Chge
MarnPet	342	4 9/16	4⅜	4⅜	+1/16
MassSpd	164	3⅝	3½	3⅝	+⅛
Medeva	215	15⅞	15½	15⅝	+½
Media	181	32⅛	31⅞	32	+⅛
MediaLog	109	5⅛	4⅞	5 1/16	+5/16
Metromdo	1402	11⅞	10⅞	11	–⅜
MidAtRly	115	10	9⅞	9⅞	–
MigrerF	365	9/16	9/16	9/16	+1/16
MS IGT	150	19⅞	19⅝	19⅝	–⅛
MntoslaE	124	2⅞	2⅝	2⅝	–⅛
MunWkg n	723	14⅝	14⅜	14⅝	–
Munvst	368	9⅞	9 13/16	9⅞	–
MunyAZ	178	12⅞	12	12⅝	–
Mvergind	190	15⅛	15	15	–⅛
NTNCom	489	4⅞	4 11/16	4 11/16	–1/16
NVR	509	9⅞	9 13/16	9⅞	+⅛
NVR wt	605	⅝	⅝	⅝	+⅛
Nabors	12731	13⅞	13⅝	13⅝	–⅛
NatBev	142	17⅞	18⅝	18⅝	+¼
NatAlf	149	8	7⅞	8	+⅛
NY Times	1760	33⅛	32⅞	33	–⅛
NA Vacc	831	26⅛	26½	26⅝	–½
NCAPI	103	12	11⅞	12	+⅛
OmniMult	615	3⅛	3	3	–
Oncor	1084	5⅛	4¾	5⅛	+⅛
Oncormed	89	3⅝	3½	3½	–
Orogen	1114	19½	18⅞	19⅛	+⅛
PLC Cap pf	82	24⅞	24⅞	24⅞	–
PLC Sys	677	27⅛	26⅝	27	+⅛
PacGld	78	15	14⅞	15	
PacGulf	453	18⅞	18⅜	18⅞	+⅜
PanAmC n	2271	13⅝	12⅝	12⅞	–⅛
PaxsnC	1025	11⅞	11⅝	11⅝	–⅛
PegGld	8710	10⅝	9⅞	10⅝	+⅝
PenRE	180	21⅞	21⅝	21⅝	
PerlnC	139	9⅛	8⅞	8⅞	+⅛
PhxNet	234	4⅞	4⅝	4⅝	–⅛
PicoPd	95	2⅝	2⅛	2½	
PittwyA s	101	45⅛	43	43	–1
PioRsc	185	14	13⅞	14	+⅛
Polymed	158	5⅜	5	5⅜	+⅛
Polyph	2070	5⅛	4⅞	5	+⅛
Polyvisn	114				
PrecLa	2274	13⅛	12⅝	12⅞	–⅛
Prices s	121	14⅛	13⅞	14	+⅛
ProActiv n	80	2⅞	2¾	2⅞	+⅛
PropCT	377	9⅜	9⅛	9⅜	–⅛
PrvEng	77	17⅛	17⅛	17⅛	–
PsycCp	2880	6⅝	6⅛	6⅜	–⅛
RF Pow	301	3⅞	3¾	3⅞	+⅛
RegGold	107	7⅞	7⅜	7⅜	–⅛
RedEmp	180	10⅞	9⅞	10	–1
Riser	258	27⅛	26⅞	26⅞	–1
RoyalG s	2228	4⅛	4	4	–
Rymac	100	2⅝	2⅝	2⅝	–
SC Bcp	216	7	7	7	+⅛
SCI S	186	1⅞	1⅞	1⅞	+⅛
SabaPet	426	19⅛	18⅞	19	+⅛
SalORCL	148	4⅞	4⅝	4⅝	+⅛
Selfcare n	383	14⅞	14⅝	14⅝	+⅛
Servico	92	16⅜	16⅛	16⅛	–
ShefldMd	146	4⅞	4⅝	4⅝	–⅛
ShenCm s	181	13⅝	13⅜	13⅝	+⅛

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	5876.62	5876.62	5845.18	5872.92	+4.07
Trans	2045.35	2068.61	2042.78	2067.04	+18.27
Util	218.84	218.91	217.51	218.14	–0.49
Comp	1850.71	1854.80	1843.60	1854.66	+4.80

Standard & Poors

	High	Low	Close	Chg.
Industrials	812.62	808.41	811.13	–0.10
Transp.	510.50	502.67	510.16	+5.87
Utilities	189.91	188.95	189.38	–0.43
Finance	72.36	72.05	72.36	+0.25
SP 500	687.11	683.73	686.19	+0.33
SP 100	663.41	659.00	661.06	–0.50

NYSE

	High	Low	Last	Chg.
Composite	366.53	365.16	366.27	+0.28
Industrials	467.34	464.97	466.40	+0.11
Transp.	327.01	322.51	326.83	+3.59
Utility	243.71	243.01	243.38	–0.16
Finance	314.76	313.66	314.76	+0.83

Nasdaq

	High	Low	Last	Chg.
Composite	1230.80	1227.08	1228.27	+0.29
Industrials	1107.85	1105.86	1106.31	+1.54
Banks	1151.39	1147.54	1150.83	+2.96
Insurance	1336.32	1331.37	1336.32	+8.33
Finance	1427.74	1423.79	1427.74	+4.13
Transp.	854.50	846.07	847.94	–6.34

AMEX

	High	Low	Last	Chg.
	568.57	566.63	568.47	+1.28

Dow Jones Bond

	Close	Chg.
20 Bonds	102.61	+0.43
10 Utilities	98.53	+0.62
10 Industrials	105.69	+0.24

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
PepsiCo s	224768	29⅞	28⅛	28⅛	–2¼
K mart	68630	9⅝	8⅞	9¼	–⅛
MicrnT	64948	32½	30¾	31⅛	–⅞
TagHeur n	62387	20¼	19⅝	20	–
Univisn n	54718	31⅞	29½	31½	–
AT&T	50055	52¼	51¼	51½	–½
CasRad n	46387	22⅞	20⅝	22	–
MercFn s	33605	11⅜	11	11⅛	+⅜
LSI Log	33261	25⅛	23½	23⅝	–⅛
ProJo n	30426	29⅞	28⅛	28⅞	+8
Fresen wi	28873	24⅝	23½	23⅝	+⅛
CocaCl s	28849	51⅞	50⅞	50⅞	–⅝
ShellTr	28023	93¼	92⅛	92⅞	+⅛
GenElec	27411	92	91⅛	91⅞	+1⅛
Gap s	24744	29⅝	29⅛	29⅝	+⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Iomega s	112520	24⅝	22¾	23¼	+½
VocalJet s	85533	13⅞	12	12	–⅞
MCI	70286	25⅞	24⅞	25⅞	–½
AbacDir n	61436	19⅝	17	19½	
Microsoft	58503	135¼	131¼	134⅝	+2⅞
WorldCm s	57744	21¼	20⅝	21¼	+⅝
DSC	53863	26⅞	25⅝	26	–⅜
SunMic s	47604	65⅞	63¼	65¼	–1¼
US Robt s	47552	74	69⅞	69¼	–3⅝
SftMrk n	46582	14⅞	13	14	
Rockshx n	44881	16⅞	15	15⅞	
Cisco s	44200	63⅞	62⅞	63	–⅞
DellCpt s	43801	77	75⅞	76	–1⅛
MentGr	43254	9⅝	9⅛	9⅝	–⅛
Intel	41537	97¼	96⅛	96⅞	–½

AMEX

	Vol.	High	Low	Last	Chg.
Nabors	12731	13⅞	13⅝	13⅝	–⅛
PegGld	8710	10⅝	9⅞	10⅝	+⅝
ChevSoft	8143	22¼	21⅞	21⅞	+½
TWA	7963	9⅝	8 15/16	9⅝	+⅛
ViacB	6049	34⅞	34	34⅞	+⅛
Horizon	5798	2⅛	2 1/16	2 1/16	–
Kirby	5792	18	17⅞	17⅞	+⅛
Amdhl	5735	9⅝	9 7/16	9½	+⅜
Vitronic	4877	1½	1⅜	1½	–
EchoBay	4796	8 9/16	8⅜	8 7/16	–⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1291	1411
Declined	1029	1012
Unchanged	903	812
Total issues	3223	3235
New Highs	117	156
New Lows	31	25

Nasdaq

	Close	Prev.
Advanced	2057	2046
Declined	1775	1768
Unchanged	1805	1818
Total issues	5637	5632
New Highs	163	188
New Lows	56	55

AMEX

	Close	Prev.
Advanced	310	288
Declined	216	252
Unchanged	207	190
Total issues	733	730
New Highs	21	14
New Lows	11	9

Market Sales

	Today Close	Prev. cons.
NYSE	406.79	599.92
Amex	18.14	29.74
Nasdaq	327.14	721.82

In millions.

Dividends

Company	Per	Amt	Rec	Pay
STOCK SPLIT				
Imperial Bncp 3 for 2 split.				
STOCK				
LVMH Moet		b .225	11-29	
INITIAL				
EXEL Ltd n	-	.25	10-11	10-25
OLS Asia Hld A	b	.117	10-2	10-28
REGULAR				
Abington Svgs	Q	.10	10-10	10-24
Aetna Inc	Q	.20	10-25	11-15
Ameron Intl	Q	.32	10-24	11-19
Amwest Insur	Q	.121	10-3	10-15
Bowl Amer A	Q	.095	10-23	11-14
Capitol Bn Miami	Q	.0633	10-7	10-18
Carolina Fst	Q	.07	10-15	11-1
Citizens Bncshrs	Q	.20	9-30	10-10
Commonwlth Engy	Q	.385	10-15	11-1
Community Sv FL	Q	.20	10-15	11-1
Echlin Inc	Q	.22	10-11	10-18
Edison Intl	Q	.25	10-4	10-31
Glimcher Rlty	Q	.4808	10-7	10-15
Graco Inc	Q	.12	10-4	11-6
Hancock Pat PfDv	M	.096	10-9	10-25
Homestake Min	Q	.05	11-1	11-22
Marcus Corp	Q	.075	10-25	11-15
NY Bancorp	Q	.20	10-10	10-24
Ntl Penn Bncshrs	Q	.23	10-31	11-17
Newcor Inc	Q	.05	10-17	11-7
Park Electro	Q	.08	10-16	11-13
Patriot Am Hospt	Q	.48	10-4	10-30
Pier 1 Import	Q	.04	11-5	11-19
RCM Strat Glb	M	.074	10-10	10-24
Ralston Purina	Q	.30	11-18	12-6
Riverview Svgs	Q	.055	9-30	10-11
Santa Barbara Bn	Q	.18	10-22	11-12

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cc - PE exceeds 99.
cld - called.
d - new yearly low.
dd - loss in the last 12 months.
e - dividend declared or paid in preceding 12 months.
f - annual rate, increased on last declaration.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
m - annual rate, reduced on last declaration.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
p - initial dividend, annual rate unknown.
P/E - price-earnings ratio.
q - closed-end mutual fund.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y- ex-dividend and sales in full.
yld - yield.
z - sales in full.

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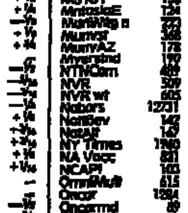

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INTERNATIONAL FUTURES

Sept. 27, 1996

Grains

CORN (CBOT) 5,000 bu minimum- dollars per bushel

	High	Low	Close	Chge	Opint
Dec 96	3.08½	3.03	3.03¼	–0.02¼	189,370
Mar 97	3.14	3.10¼	3.10½	–0.02	64,645
May 97	3.19¼	3.16¼	3.17	–0.01¼	27,833
Jul 97	3.21¾	3.19¼	3.19½	–0.00¾	20,428
Sep 97	3.06	3.03	3.03	–0.02	2,671

Est. sales N.A. Thu's. sales 76,801
Thu's open int 319,686 up 3200

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Close	Chge	Opint
Oct 96	265.80	262.00	262.40	–2.10	18,796
Dec 96	260.00	256.30	256.70	–2.10	45,188
Jan 97	258.00	255.00	255.10	–1.90	8,969
Mar 97	255.00	252.90	253.00	–1.00	11,431
May 97	251.50	249.40	249.60	–0.90	7,359
Jul 97	250.30	248.00	249.00	–0.90	3,107

Est. sales N.A. Thu's. sales 29,412
Thu's open int 96,534 up 1849

SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.

	High	Low	Close	Chge	Opint
Oct 96	24.68	24.43	24.45	–0.11	7,239
Dec 96	25.13	24.85	24.87	–0.12	47,522
Jan 97	25.40	25.13	25.14	–0.13	9,483
Mar 97	25.76	25.50	25.51	–0.12	11,412
May 97	26.05	25.80	25.81	–0.13	7,118
Jul 97	26.35	26.10	26.10	–0.10	1,742

Est sales N.A. Thu's. sales 33,447
Thu's open int 85,991 up 1551

SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel

	High	Low	Close	Chge	Opint
Nov 96	7.95½	7.82½	7.83¼	–0.07½	116,445
Jan 97	8.01½	7.88½	7.90½	–0.06¼	30,959
Mar 97	8.05½	7.95	7.96½	–0.04¼	16,549
May 97	8.06	7.95	7.95¾	–0.05½	15,343
Jul 97	8.05½	7.95½	7.97	–0.04½	12,459

Est. sales N.A. Thu's. sales 62,427
Thu's open int 197,683 off 1894

WHEAT (CBOT) 5,000 bu minimum- dollars per bushel

	High	Low	Close	Chge	Opint
Dec 96	4.32	4.28	4.31½	+0.02¼	45,665
Mar 97	4.23	4.19	4.22	+0.01	13,540
May 97	4.07	4.03½	4.05	–0.01¼	1,348
Jul 97	3.87	3.83	3.84	–0.02½	5,765

Est sales N.A. Thu's. sales 10,939
Thu's open int 66,815 off 1150

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb

	High	Low	Close	Chge	Opint
Oct 96	73.47	73.05	73.35	+0.25	26,544
Dec 96	68.07	67.52	67.70	+0.20	34,452
Feb 97	65.30	64.75	64.80	+0.03	16,540
Apr 97	66.50	66.17	66.35	+0.15	7,955
Jun 97	64.30	63.97	64.05		3,743
Aug 97	64.25	63.97	64.02	+0.07	4,102

Est sales 12,895 Thu's. sales 8,587
Thu's open int 93,791 off 23

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Oct 96	64.05	63.55	63.92	+0.22	6,297
Nov 96	65.15	64.55	65.10	+0.38	2,868
Jan 97	65.00	64.60	64.97	+0.32	1,913
Mar 97	64.53	63.95	64.40	+0.23	1,122
Apr 97	64.50	64.05	64.45	+0.30	758
May 97	64.73	64.23	64.73	+0.30	478

Est. sales 1,647 Thu's sales 1,472
Thu's open int 14,809 off 223

HOGS-Live(2/97 Lean) (CMER) 40,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Oct 96	57.65	57.00	57.35	–0.05	7,035
Dec 96	57.23	56.50	56.55	–0.55	15,887
Feb 97	76.75	75.95	76.07	–0.35	5,039
Apr 97	72.90	72.45	72.50	–0.37	1,992
Jun 97	77.15	76.50	76.72	–0.43	2,119
Jul 97	74.25	73.80	73.82	–0.58	560

Est sales 9,734 Thu's sales 8,013
Thu's open int 31,106 off 197

PORK BELLIES (CMER) 40,000 lbs - cents per lb

	High	Low	Close	Chge	Opint
Feb 97	78.87	77.32	77.57	–1.48	4,400
Mar 97	79.35	77.15	77.50	–1.65	821
May 97	80.60	78.65	79.10	–0.97	297
Jul 97	80.15	78.65	78.97	–1.48	134
Aug 97	77.75	76.75	77.60	–1.05	24

Est sales 1,981 Thu's sales 1,832
Thu's open int 5,686 off 30

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Close	Chge	Opint
Dec 96	1395	1376	1384	+6	32,032
Mar 97	1422	1406	1412	+4	17,493
May 97	1440	1429	1430		8,106
Jul 97	1447	1447	1447		6,109
Sep 97	1464	1464	1463		5,487

Est sales 4,267 Thu's. sales 10,541
Thu's open int 78,377 up 1391

COFFEE C (NCSE) 37,500 lbs.- cents per lb

	High	Low	Close	Chge	Opint
Dec 96	106.20	104.70	105.25	–0.45	13,781
Mar 97	102.50	101.00	101.40	–1.10	5,031
May 97	102.20	101.00	101.35	–1.15	2,108
Jul 97	102.00	101.00	101.00	–1.50	754

Est. sales 4,402 Thu's sales 3,510
Thu's open int 27,191 off 91

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb

	High	Low	Close	Chge	Opint
Oct 96	11.23	10.99	11.04	–0.07	10,467
Mar 97	10.88	10.63	10.67	–0.16	75,118
May 97	10.84	10.60	10.66	–0.14	21,470
Jul 97	10.70	10.48	10.55	–0.12	15,480

Est. sales 43,488 Thu's. sales 38,617
Thu's open int 135,785 off 1572

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Nov 96	114.20	112.00	113.70	+0.80	7,802
Jan 97	111.25	108.50	110.50	–0.20	6,248
Mar 97	112.90	109.50	111.80	–0.25	2,831
May 97	113.55	112.50	113.35	–0.45	668

Est. sales N.A. Thu's. sales 5,161
Thu's open int 17,886 off 691

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Close	Chge	Opint
Oct 96	380.60	379.20	379.70	–1.00	2,808
Nov 96			381.20	–0.90	
Dec 96	382.70	381.90	382.80	–0.80	111,149
Feb 97	385.80	384.70	384.90	–0.90	14,089
Apr 97	387.60	386.60	387.00	–0.90	9,856
Jun 97	390.20	390.00	389.40	–1.00	11,533
Aug 97			391.90	–1.00	4,014
Oct 97			394.50	–1.00	454

Est. sales 50,000 Thu's. sales 45,851
Thu's open int 195,172 up 5192

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Oct 96	94.20	91.80	92.00	+0.85	2,812
Nov 96	93.50	91.25	91.35	+0.80	1,483
Dec 96	93.40	90.45	91.25	+0.80	24,803
Jan 97	91.00	90.70	90.85	+0.70	1,200
Feb 97			90.50	+0.70	935
Mar 97	92.20	89.90	90.15	+0.70	8,829
Apr 97			90.00	+0.65	502
May 97	91.00	90.00	89.90	+0.60	2,893
Jun 97			89.80	+0.60	667

Est. sales 10,000 Thu's. sales 11,844
Thu's open int 54,611 off 189

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Close	Chge	Opint
Oct 96			487.2	+3.6	10
Nov 96			489.4	+3.5	10
Dec 96	495.5	485.5	492.0	+3.5	69,113
Jan 97			494.6	+3.5	26
Mar 97	503.0	493.5	499.5	+3.5	11,158
May 97	506.0	503.0	504.4	+3.5	6,407
Jul 97	510.5	510.5	509.4	+3.5	4,905
Dec 97	525.0	517.0	522.1	+3.3	1,740

Est. sales 13,000 Thu's. sales 11,485
Thu's open int 98,195 up 433

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Close	Chge	Opint
Oct 96	387.50	385.50	385.80	–2.00	5,051
Jan 97	390.00	387.70	388.10	–1.90	16,900
Apr 97	392.50	391.00	391.00	–1.80	6,674
Jul 97	394.00	394.00	394.00	–1.80	666
Oct 97	399.00	397.00	397.50	–1.80	27

Est. sales N.A. Thu's. sales 9,790
Thu's open int 29,318 up 718

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1378¼	1379¼	1379½	1380½
Forward	1413.00	1414.00	1415.00	1416.00
Copper Cathodes (High Grade)				
Spot	1970½	1972½	1945.00	1946.00
Forward	1969½	1970½	1945.00	1946.00
Lead				
Spot	780.00	782.00	780½	781½
Forward	782.00	784.00	784½	785.00
Nickel				
Spot	7150.00	7160.00	7225.00	7235.00
Forward	7260.00	7270.00	7340.00	7350.00
Tin				
Spot	6015.00	6025.00	6040.00	6050.00
Forward	6075.00	6080.00	6100.00	6105.00
Zinc (Special High Grade)				
Spot	999½	1000½	998.00	999.00
Forward	1025½	1026.00	1024.00	1025.00

Financial

US T. BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	Opint
Dec 96	94.83	94.78	94.79	–0.02	4,469
Mar 97	94.70	94.63	94.64	–0.02	1,489
Jun 97			94.50		75

Est. sales N.A. Thu's sales 731
Thu's open int 5,633 up 175

5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Dec 96	106-015	105-22	105-23	— 045	138,444
Mar 97			105-12	— 045	122

Est. sales N.A. Thu's. sales 45,000
Thu's open int

10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Dec 96	107-30	107-13	107-15	— 06	272,336
Mar 97	107-17	107-04	107-05	— 06	3,023
Jun 97			106-22	— 06	170

Est. sales N.A. Thu's. sales 93,284
Thu's open int 283,374 up 939

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	Opint
Dec 96	110-18	109-12	109-15	— 11	380,411
Mar 97	109-27	108-29	109-00	— 11	20,151
Jun 97	109-07	108-17	108-17	— 11	5,338
Sep 97	108-10	108-05	108-05	— 11	117

Est. sales N.A. Thu's. sales 308,692
Thu's open int 415,379 up 16259

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Dec 96	109-02	108-14	108-18	+ 0-03	145,226
Mar 97	N.T.	N.T.	107-22	+ 0-03	4

Est. sales: 118,927. Prev. sales: 93,889
Prev. open int.: 153,261 up 4,401

GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Dec 96	99.04	98.70	98.74	– 0.11	236,214
Mar 97	97.80	97.71	97.74	– 0.11	3,791

Est. sales: 156,087. Prev. sales: 200,547
Prev. open int.: 240,005 up 13,491

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Dec 97	125.14	124.76	124.84	+0.06	205,905
Mar 97	124.94	124.64	124.68	+0.04	21,935
Jun 97	123.86	123.58	123.62	+0.06	428

Est. volume: 157,919 . Open int.: 228,268 up

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Dec 96	122.50	121.35	121.90	+ 1.47	77,219
Mar 97	121.10	120.95	121.15	+ 1.45	768

Est. sales: 94,333. Prev. sales: 96,738
Prev. open int.: 77,987 off 963

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Close	Chge	Opint
Oct 96	94.410	94.380	94.390	–10	35,059
Nov 96	94.320	94.280	94.280	–10	10,009
Dec 96	94.270	94.220	94.230	–10	499,787
Mar 97	94.170	94.080	94.100	–20	351,189
Jun 97	94.000	93.910	93.930	–20	257,009
Sep 97	93.850	93.760	93.770	–30	172,352
Mar 98	93.070	93.000	93.010	–10	40,069
Jun 00	93.030	92.940	92.950	–10	35,239

Est. sales N.A. Thu's. sales 454,616
Thu's open int 2,301,161 off 8589

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Close	Chge	Opint
Dec 96	1.5646	1.5590	1.5634	+34	39,110
Mar 97	1.5646	1.5614	1.5634	+34	77
Jun 97			1.5634	+34	2

Est. sales N.A. Thu's. sales 6,235
Thu's open int 39,189 off 970

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Close	Chge	Opint
Dec 96	.7364	.7334	.7361	+24	40,369
Mar 97	.7395	.7376	.7390	+25	1,016
Jun 97			.7411	+26	608
Sep 97	.7433	.7432	.7431	+27	132

Est. sales N.A. Thu's. sales 9,119
Thu's open int 42,162 up 2514

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Close	Chge	Opint
Dec 96	.6608	.6588	.6594	–5	65,855
Mar 97	.6648	.6633	.6637	–5	1,199
Jun 97			.6680	–5	2,112

Est. sales N.A. Thu's sales 36,807
Thu's open int 69,166 up 3007

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Close	Chge	Opint
Sep 96			.009481	–21	18
Dec 96	.009156	.009110	.009118	–21	71,467
Mar 97	.009248	.009238	.009239	–21	1,623

Est. sales N.A. Thu's. sales 14,382
Thu's open int 73,501 off 71

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Close	Chge	Opint
Dec 96	.8060	.8020	.8026	–25	40,401
Mar 97	.8139	.8100	.8107	–26	1,453
Jun 97	.8219	.8194	.8191	–26	66

Est. sales N.A. Thu's. sales 20,694
Thu's open int 41,920 up 2621

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Dec96	94.06	94.00	94.04	+ 0.03	120,653
Mar97	93.93	93.84	93.90	+ 0.04	80,227
Jun97	93.69	93.59	93.64	+ 0.05	75,289
Sep97	93.40	93.28	93.36	+ 0.07	43,458
Dec97	93.14	92.99	93.07	+ 0.08	33,284
Mar98	92.92	92.77	92.86	+ 0.09	24,707
Jun98	92.78	92.63	92.72	+ 0.09	20,781
Sep98	92.68	92.53	92.60	+ 0.07	12,557
Dec98	92.58	92.51	92.51	+ 0.08	13,207
Mar99	92.48	92.42	92.42	+ 0.09	6,250
Jun99	92.38	92.32	92.32	+ 0.09	3,635
Sep99	92.30	92.24	92.22	+ 0.07	938

Est. sales: 93,352. Prev. sales: 93,703
Prev. open int.: 435,066 up 1,494

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Dec96	96.86	96.83	96.84	– 0.01	214,582
Mar97	96.80	96.77	96.78	Unch.	212,468
Jun97	96.64	96.58	96.61	Unch.	160,598
Sep97	96.39	96.32	96.35	Unch.	131,724
Dec97	96.05	95.99	96.02	Unch.	96,395
Mar98	95.72	95.66	95.69	Unch.	65,336
Jun98	95.38	95.34	95.35	Unch.	45,987
Sep98	95.06	95.02	95.03	Unch.	38,425
Dec98	94.78	94.73	94.74	Unch.	26,028
Mar99	94.51	94.48	94.48	Unch.	22,105
Jun99	94.24	94.23	94.23	Unch.	13,199
Sep99	93.99	93.97	93.97	Unch.	4,626

Est. sales: 112,890. Prev. sales: 222,602
Prev. open int.: 1,029,075 up 3,633

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Dec 96	96.34	96.29	96.32	+0.03	63,731
Mar 97	96.29	96.24	96.26	+0.02	38,348
Jun 97	96.19	96.14	96.16	+0.01	25,250
Sep 97	96.03	95.99	96.00	+0.03	15,756
Dec 97	95.82	95.79	95.80	+0.02	10,343
Mar 98	95.62	95.58	95.59	+0.02	8,893
Jun 98	95.37	95.32	95.34	+0.02	6,721
Sep 98	95.10	95.05	95.08	+0.01	5,048
Dec 98	94.83	94.82	94.82	+0.01	6,739
Mar 99	0.00	0.00	94.56	+0.02	8,519
Jun 99	94.27	94.27	94.27	+0.00	2,116
Sep 99	0.00	0.00	94.00	+0.00	220

Est. volume: 46,949. Open int.: 191,684 up 2,274.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Dec96	92.44	92.22	92.30	+ 0.16	55,309
Mar97	92.83	92.60	92.76	+ 0.21	31,608
Jun97	93.01	92.80	92.95	+ 0.23	24,781
Sep97	93.02	92.94	92.98	+ 0.21	12,528
Dec97	93.00	92.89	92.91	+ 0.17	7,096
Mar98	92.92	92.85	92.85	+ 0.18	2,859

Est. sales: 81,228. Prev. sales: 56,989
Prev. open int.: 134,181 up 122

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Oct 96	75.65	75.50	75.50		829
Dec 96	77.40	76.11	76.19	–0.65	30,953
Mar 97	78.60	77.40	77.42	–0.53	10,805
May 97	79.10	78.05	78.16	–0.54	6,422
Jul 97	79.40	78.75	78.65	–0.55	4,702
Oct 97	78.50	78.50	78.40	–0.20	977

Est. sales N.A. Thu's. sales 6,782
Thu's open int 58,074 up 355

HEATING OIL (NMER) 42,000 gal - cents per gal

	High	Low	Close	Chge	Opint
Oct 96	71.80	69.95	71.30	+0.48	14,529
Nov 96	71.20	69.50	70.95	+0.77	48,857
Dec 96	70.20	68.60	69.90	+0.43	30,021
Jan 97	68.65	67.30	68.10	+0.18	22,215
Feb 97	66.50	65.25	66.15	+0.43	11,886
Mar 97	63.20	62.30	63.20	+0.58	6,407
Apr 97	59.85	59.10	59.85	+0.53	3,433
May 97	57.10	56.50	57.10	+0.23	2,327
Jun 97	55.70	55.20	55.70	+0.16	2,718
Jul 97	54.90	54.90	54.90	–0.07	2,200

Est. sales N.A. Thu's. sales 51,342
Thu's open int 145,290 off 1779

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Close	Chge	Opint
Nov 96	24.66	23.82	24.55	+0.39	83,870
Dec 96	24.00	23.31	23.95	+0.37	64,558
Jan 97	23.30	22.72	23.25	+0.29	42,713
Feb 97	22.60	22.10	22.60	+0.25	27,263
Mar 97	22.03	21.66	22.00	+0.18	17,175
Apr 97	21.65	21.30	21.65	+0.21	13,591
May 97	20.96	20.90	20.96	–0.09	8,843
Jun 97	20.77	20.55	20.77	+0.08	26,159
Jul 97	20.55	20.37	20.55	+0.13	9,658
Sep 97	19.84	19.80	19.82	–0.09	9,717
Dec 97	19.35	19.15	19.35	+0.08	23,511
Jun 98	18.58	18.50	18.58	+0.06	7,489
Dec 98	18.35	18.32	18.35	+0.05	8,021

Est. sales N.A. Thu's. sales 85,684
Thu's open int 394,108 off 1001

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Close	Chge	Opint
Nov 96	2.185	2.066	2.175	+38	27,146
Dec 96	2.368	2.278	2.350	+20	20,771
Jan 97	2.380	2.320	2.375	+19	17,328
Feb 97	2.315	2.255	2.300	+15	9,767
Mar 97	2.220	2.155	2.205	+25	7,371
Apr 97	2.070	2.030	2.065	+17	5,084
May 97	2.015	1.985	2.015	+22	4,390
Jun 97	1.970	1.940	1.970	+22	4,151
Jul 97	1.950	1.925	1.950	+15	3,289
Aug 97	1.955	1.930	1.950	+15	3,175
Sep 97	1.950	1.930	1.950	+15	3,382

Est. sales N.A. Thu's. sales 25,639
Thu's open int 129,082 off 983

UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal

	High	Low	Close	Chge	Opint
Oct 96	64.70	62.40	64.50	+1.51	9,777
Nov 96	64.00	62.15	63.80	+1.12	23,298
Dec 96	63.40	61.80	63.80	+0.77	10,755
Jan 97	62.80	61.40	62.80	+0.95	7,962
Feb 97	61.75	61.00	61.75	+0.15	2,421
Mar 97	62.00	62.00	62.00	–0.05	1,261

Est. sales N.A. Thu's. sales 24,358
Thu's open int 58,571 off 974

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Close	Chge	Opint
Oct 96	228.75	226.00	228.50	–3.25	22,540
Nov 96	219.50	217.50	219.25	–3.75	16,515
Dec 96	212.00	210.00	211.75	–3.50	17,202
Jan 97	204.75	203.50	204.75	–3.00	12,567
Feb 97	197.00	196.50	197.25	–2.50	2,930
Mar 97	N.T.	N.T.	189.50	–2.50	3,775
Apr 97	182.00	182.00	182.00	–2.25	3,290
May 97	N.T.	N.T.	177.50	–2.25	1,110
Jun 97	173.25	171.25	173.75	–2.25	4,935
Jul 97	N.T.	N.T.	172.75	–2.25	88
Aug 97	N.T.	N.T.	172.25	–2.25	291
Sept 96	N.T.	N.T.	172.00	–2.25	235

Est. sales:15,302 . Open Int.: 86,464 off 733

Stock Indexes

S&P COMP. INDEX (CMER) 500 x index

	High	Low	Close	Chge	Opint
Dec 96	692.30	686.80	690.70	–1.25	178,854
Mar 97	698.60	695.15	697.75	–0.95	3,987
Jun 97	704.50	701.50	704.50	–0.15	1,858

Est. sales N.A. Thu's. sales 72,028
Thu's open int 184,859 up 2254

FTSE 100 (LIFFE) £25 per index point

	High	Low	Close	Chge	Opint
Dec96	3995.0	3968.0	3982.0	+ 14.0	58,582
Mar97	3992.0	3990.0	3995.0	+ 14.0	360
Jun97	N.T	N.T	4004.5	+ 14.0	300

Est. sales: 10,977. Prev. sales: 9,388
Prev. open int.: 59,242 up 56

CAC 40 (MATIF) FF200 per index point

	High	Low	Close	Chge	Opint
Sep 96	2112.0	2102.5	2109.5	+4.50	20,272
Oct 96	2116.5	2108.0	2114.5	+4.50	17,359
Nov 96	2120.0	2117.5	2120.0	+4.50	1,575
Dec 96	2127.0	2118.0	2125.0	+4.00	18,260
Mar 97	0.00	0.00	2142.5	+4.50	5,075
Sep 97	0.00	0.00	2121.0	+4.00	5,520
Mar 98	0.00	0.00	2163.0	+4.50	2,575

Est. volume: 48,156. Open Int.: 70,436 up 3,326.

Commodity Indexes

	Close	Previous
Moody's	1,466.80	1,451.30
Reuters	1,900.70	1,899.70
D.J. Futures	148.24	148.98
CRB	246.24	246.49

Spot Commodities

	Today	Prev.
Aluminum, lb	0.626	0.618
Copper electrolytic, lb	0.98	0.94
Iron FOB, ton	167.00	167.00
Lead, lb	0.50	0.50
Silver, troy oz	4.90	4.86
Steel (scrap), ton	130.17	130.17
Tin, lb	4.038	4.034
Zinc, lb	0.5091	0.5109

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

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CGIP Confirms Interest in Valeo

Company Will Sell Crown Cork Stake to Finance Deal

Compiled by Our Staff From Dispatches

PARIS — Compagnie Generale d'Industrie et de Participations confirmed Friday it was holding talks to buy Carlo De Benedetti's stake in the car-parts maker Valeo SA and said it hopes to conclude the negotiations soon.

A spokeswoman for CGIP, a French industrial holding company, said its board "expressed the hope that talks engaged with a view to acquiring Cerus's stake in Valeo will be finalized."

CGIP announced on Thursday night it would sell half of its 20 percent stake in packaging group Crown Cork & Seal Co. to finance the purchase of the Valeo stake from Cerus, a company that is partly owned by Mr. De Benedetti.

Mr. De Benedetti controls Valeo through a complicated series of holding companies. He controls 56 percent of Cofide SpA, which controls 50.06 percent of CIR, which controls 49 percent of Cerus, which controls 27 percent of Valeo.

Earlier this month, CGIP denied it was in negotiations to buy Mr. De Benedetti's stake in Valeo.

"CGIP's interest in the stake does not come as a surprise," said Denis Berthu, a spokesman for Valeo, "but nothing has been concluded yet."

Mr. Berthu said that should CGIP end up buying the stake, it would not compromise Valeo's current strategy, as Ernest-Antoine Seilliere, CGIP's chairman, has long had a seat on Valeo's board.

Mr. Seilliere's seat, coupled with his interest in the company when Cerus took control of it in 1986 and his strategy of taking key stakes in industrial companies, all made him a prime candidate to relieve Mr. De Benedetti of his stake, despite the denials, analysts said.

CGIP also appears to be the only candidate that could satisfy calls from French government officials and the country's carmakers to keep Valeo, a key supplier to Renault SA and PSA Peugeot Citroen, from falling into foreign hands.

Analysts said that by providing a "French solution" to the future of Valeo, the politically driven deal robs shareholders of the best offer. "This is a classic French blocking operation. They've thwarted a buyout," said a London-based car analyst.

Delphi Automotive Systems, a unit of General Motors, and TRW Inc. were earlier reported to be interested in acquiring Valeo but were put off by boycott threats from the Peugeot and Renault.

The deal for the Valeo stake is not expected to be concluded for at least a month. *(Bloomberg, Reuters)*

Olivetti Holders to Get Board Seat

Compiled by Our Staff From Dispatches

MILAN — Olivetti SpA said Friday it was willing to give a seat on its board to a group of London-based institutional shareholders.

The investors, led by Baring Asset Management Holdings Ltd., are expected to ask that Dario Trevisan, a Milan corporate lawyer, represent them on the board.

Rodolfo De Benedetti, an Olivetti director, offered the board seat this week to a Baring executive, who then consulted with nine other Olivetti investors representing about a quarter of the company's shares.

"We have written back to the company that, in principle, the institutional shareholders think it is a good idea, and they have put forward the name of Dario Trevisan," said a Baring fund manager, Jonathan Taylor. Baring Asset Management owns 5.8 percent of Olivetti.

The same group of institutional Olivetti investors held a meeting in late August to discuss ways of pressuring Olivetti's management to improve the office-products and computer company's performance and the clarity of its financial and corporate information. One week later, Olivetti reported a greater-than-expected loss of 440 billion lire ($289.3 million) for the first half of 1996, and its chairman, Carlo De Benedetti, resigned. The first-half accounts were questioned by a former top executive, sparking investigations by public prosecutors and market regulators and leading to the resignation last week of the chief executive, Francesco Caio. Olivetti plans to report final first-half results Monday.

Separately, Bernhard Auer, chairman of Olivetti's personal-computer unit, predicted the unit would be close to break-even in its 1996 pretax results on a 10 percent increase in sales, to 800,000 units. *(Bloomberg, AFX)*

Microsoft Clicks With Continental Phone Companies

Bloomberg Business News

BONN — Seeking to improve its position on the Internet, Microsoft Corp. said Friday it had signed marketing agreements with Deutsche Telekom AG and France Telecom.

Under the agreements, Microsoft will alter its Windows 95 and Windows NT operating systems, as well as its Internet browser software sold in France and Germany, to allow users to subscribe to the telephone monopolies' high-speed digital telephone services by simply clicking on an icon.

France Telecom and Deutsche Telekom will pay Microsoft a fee for every customer it generates for the high-speed lines, called integrated services digital network lines.

Microsoft also hopes its software will become the choice of Internet users in Europe, putting the heat on rival Netscape Communications Corp., which controls about 80 percent of the browser market.

"Microsoft came to the Internet late and the European telecommunications companies have lagged in embracing the Internet," said Chris Champion, analyst with the Yankee Group Europe, a unit of Primark Corp. "Getting them on board is Microsoft's biggest opportunity."

The agreement is also important for France Telecom and Deutsche Telekom, which are preparing for the European Union-mandated opening of their markets to competition.

The phone companies will need value-added services, such as data transmission and Internet access, to keep customers when new companies enter the market and drive down prices on traditional telephone services.

"This will make Windows 95 the universal platform for those services," said Frederic Gielec, a France Telecom spokesman, "while allowing us to boost sales of our ISDN services."

Deutsche Telekom, however, said it plans to offer Netscape and Microsoft browsers.

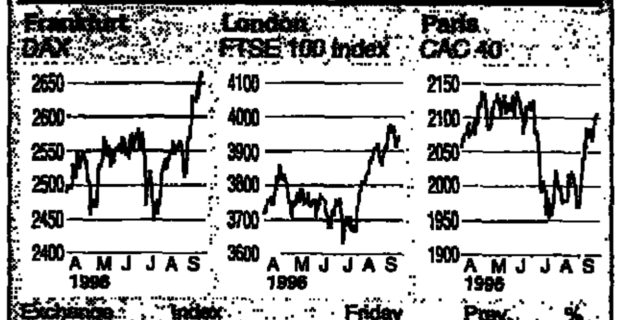
Interest in the Internet, the worldwide network of computer networks, is growing rapidly in Europe, as on-line services become readily available and prices fall on telephone services.

By 2000, 27.5 million people are expected to have Internet access in Western Europe, up from just 4.7 million people in 1995, according to International Data Corp., a research company.

Microsoft said it plans similar accords in all of Europe's major markets. It is also in talks with telephone operators in Japan.

"We're interested in having every PC connected to each other, as a way of growing the PC market," said Cameron Myhrvold, Microsoft's vice president of public network sales.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	EOE	571.92	571.37	+0.10
Brussels	Stock Exchange	9,787.44	9,784.26	+0.03
Frankfurt	DAX	2,659.04	2,666.55	-0.28
Copenhagen	Stock Market	431.54	430.86	+0.16
Helsinki	HEX General	2,171.80	2,163.51	+0.35
Oslo	OBX	466.38	465.98	+0.09
London	FTSE 100	3,946.40	3,933.20	+0.34
Madrid	Stock Exchange	366.45	367.76	-0.36
Milan	MIBTEL	10,154.00	9,849.00	+3.10
Paris	CAC 40	2,107.85	2,104.14	+0.14
Stockholm	SX 16	2,175.33	2,168.49	+0.32
Vienna	ATX	1,048.81	1,042.97	+0.56
Zurich	SPI	2,373.87	2,374.65	-0.07

Source: Telekurs — International Herald Tribune

Very briefly:

- **IFIL SpA**, a holding company controlled by **Fiat SpA**'s Agnelli family, said its first-half pretax profit fell 6 percent to 349 billion lire ($233 million) because of reduced one-time gains from sales of financial assets.
- **The European Commission** intends to request repayment of French government aid totaling 1.1 billion francs ($214 million) to **Societe Francaise de Production** between November 1994 and February 1996, an EU source said.
- **Grand Metropolitan PLC** said sales and profit at its **Pillsbury, Burger King** and **International Distillers and Vintners** units have been rising since May.
- **European Union** ministers agreed to a watered-down version of a plan to liberalize European telecommunications markets with a regime for licensing companies once state monopolies are ended.
- **General Motors Corp.** opened a $155 million motor-parts assembly plant close to Hungary's western border with Austria, the state-run MTI news agency reported.
- **Deutsche Telekom AG** said it would publish its flotation prospectus on Oct. 4, giving details of the company and its economic condition as well as its development plans its future dividend policy.
- **Bank of Italy's** governor, Antonio Fazio, told ministers that the Italian central bank's interest-rate policy remained geared toward getting the average rate of inflation below 3 percent in 1997. Italy's inflation rate fell to 3.4 percent in August from a three-year high of 6.0 percent in November 1996.
- **Snecma**, the French aircraft-engines company, should be near breakeven this year, its chairman, Jean-Paul Bechat, told Les Echos newspaper.
- **Thyssen AG** said it agreed to sell its **Henschel Wehrtechnik** military-technology unit to **IWKA AG's KUKA Wehrtechnik** unit for an undisclosed amount.

Bloomberg, AFX, Reuters, AP, KRF/Global

BASF to Buy Sandoz Herbicide Unit

Compiled by Our Staff From Dispatches

ZURICH — Sandoz AG said Friday it had agreed to sell part of its corn herbicide business to BASF AG of Germany for $695 million.

The sale includes rights to the Swiss company's corn herbicides in the United States and Canada, as well as a factory in Texas.

The lines being sold will have around $320 million in sales this year, Sandoz said.

Sandoz said the sale would be conditional on final approval for its $22 billion merger with Ciba-Geigy AG, another Swiss drug company, and was subject to approval from U.S. regulators.

In hopes of speeding U.S. approval of the deal, both companies had discussed selling some U.S. pesticide and animal health businesses.

Sandoz said talks continue with possible buyers of its line of flea and tick products in the United States and Canada.

BASF is a chemical conglomerate that has operations in pharmaceuticals, plastics and crop-protection products.

Sandoz said that the deal also included $83 million in net working capital. *(AP, AFX)*

Alitalia Predicts Loss for 1996

Reuters

ROME — Alitalia hurtled toward its ninth straight year of losses, as the Italy's national airline unveiled a deficit of 310 billion lire ($203.9 million) for the first half of 1996, wider than its 197 billion lire loss a year ago.

Alitalia, which in June rallied unions around a do-or-die plan to haul itself back to profit, predicted a hefty full-year loss, with 900 billion lire being put aside for restructuring charges.

"This should allow a rapid return to the black in 1997 and a significantly improving trend in the years thereafter," the company said in a statement.

Alitalia said the loss came despite an 11 percent rise in passenger traffic and an increase in sales to 3.77 trillion lire between January and June, up 6.1 percent on the first half in 1995.

The company said its surplus cash was swallowed up on improvements to its fleet and on opening new connections to China and Japan.

WORLD STOCK MARKETS

Friday, Sept. 27
Prices in local currencies.
Telekurs

Amsterdam — EOE Index: 571.92, Previous: 571.37

	High	Low	Close	Prev.
ABN-AMRO	93.90	93.50	93.80	93.60
Aegon	84.80	84.20	84.40	84.20
Ahold	96.40	96	96.20	96.30
Akzo Nobel	205.30	202.70	205.20	203.20
Bols Wess cva	28.30	27.70	28	27.70
CSM cva	87.50	86.90	86.70	87
Dordtsche Pet	288.50	285.60	287.50	286
DSM	167.30	165.20	166	165.40
Elsevier	27.80	27.40	27.70	27.40
Fortis Amev	51.40	50.70	50.90	51.20
G-Broc cva	53.40	52.40	52.90	52.30
Hagemeyer	132.70	130.80	132	130.90
Heineken	319.30	310.40	311.20	318
Hoogovens	61.10	60.60	61	60.70
Hunt Douglas	117.40	113.60	116.50	115.50
ING Group	53.30	52.70	53	52.90
KLM	46.20	45.50	45.60	45.30
KNP BT	43	41.30	41.40	41.40
KPN	59.40	58.80	58.90	59
Nedlloyd Gp	44.90	44.20	44.50	44.20
Nutricia	224	221.50	222.80	221.50
Oce Grinten	182.90	179.80	182.80	178.80
Pakhoed	49.50	48.80	49.30	49.70
Philips Elec	62.10	61.40	61.70	61.90
Polygram	92.90	90.20	91.70	90.60
Randstad Hdg	135	132	134.90	133.40
Robeco	130.60	130.10	130.30	129.80
Rodamco	47.80	47.50	47.80	47.70
Rolinco	139.40	138.70	139	138.30
Rorento	100.80	100.50	100.80	100.30
Royal Dutch	266.40	263.50	264.50	264.40
Stork	52.90	52.30	52.90	52.70
Unilever cva	272.90	270.40	271.20	272.20
VNU	31.80	31.10	31.80	31.10
Wolters Kl cva	208.20	206.20	207.50	206

Bangkok — SET Index: 1047.95, Previous: 1042.88

	High	Low	Close	Prev.
Adv Info Svc	326	318	318	318
Bangkok Bk F	328	312	314	326
Krung Thai Bk	105	104	104	105
PTT Explor	348	338	348	338
Siam Cement F	972	968	972	976
Telecomasia	47.25	46.50	47	47
Thai Airways	48	46.75	47.25	47.50
Thai Farm Bk F	256	252	254	256
Thai Teleph	40.25	39.50	39.75	40
Utd Comm	254	246	250	246

Bombay — Sensitive Index: 3254.73, Previous: 3307.85

	High	Low	Close	Prev.
Assoc Cement	1800	1760	1763	1805
Grasim Ind	417.75	400	411	418.25
Hindalco Ind	693.50	684	685.25	695
Indust Lever	822.50	811	820.75	818.50
Indian Hotels	733	715.50	720	733
ITC	301	295.50	297.25	298.25
Larsen Toubro	238.50	233	233	239.25
Reliance Ind	193	185.25	186	193.75
Tata Eng Loco	456.50	446	448.25	454.75
Tata Iron St	169.75	166.50	167.25	170

Brussels — Stock Exchange Index: 9787.44, Previous: 9784.26

	High	Low	Close	Prev.
Arbed	3690	3650	3690	3650
Barco Ind	5200	5150	5190	5130
BBL	6180	6120	6130	6110
Bekaert	24100	23850	23875	24000
CBR	2240	2230	2235	2230
CMB	2535	2500	2500	2510
Cockerill	131	128	130	130
Colruyt	12275	11950	12275	11950
Delhaize Lion	1725	1705	1725	1710
Electrabel	7030	6970	7030	6980
Electrafina	2955	2940	2955	2940
Fortis AG	4475	4425	4435	4465
GIB	1306	1300	1302	1298
GBL	3930	3905	3905	3925
Gen Banque	11150	10850	10925	11150
Glaverbel	3470	3410	3440	3400
Kredietbank	10400	10250	10275	10325
Mosane	2445	2445	2445	2420
Petrofina	9790	9720	9730	9730
Powerfin	4665	4630	4635	4645
Recticel	273	273	273	272
Royale Belge	6300	6220	6260	6180
Soc Gen Belg	2475	2465	2475	2480
Solvay	19000	18950	18975	18975
Tessenderlo	11500	11425	11475	11450
Tractebel	14725	14675	14675	14750
UCB	61200	60800	61050	60950
Union Miniere	2340	2315	2325	2330

Copenhagen — Stock Index: 431.54, Previous: 430.86

	High	Low	Close	Prev.
Carlsberg B	352	347	350.45	349
Danisco	336	331	335	334
Den Danske Bk	430	425	430	431
D/S Svendborg A	N.T.	N.T.	N.T.	202000
D/S 1912 A	140000	140000	140000	140000
East Asiatic Co	123	120	122	121
FLS Ind B	750	740	750	741
ISS Intl Svc B	153	147.85	153	152
Nvo Nordisk B	916	911	913	916
Radiometer B	366.45	362	365	363
Sophus Ber B	711	701	701	708
Tele Danmk B	279	276	279	278
Unidanmark A	280	276	279	279

Frankfurt — DAX: 2659.04, Previous: 2666.55

	High	Low	Close	Prev.
AMB	1165	1150	1160	1170
Allianz Hdg	2712	2694	2702	2715
Altana	1240	1205	1240	1199
Badenwerk	571	570	570	566
BASF	48.30	48.03	48.10	48.90
Bayer Hypo Bk	45	44.35	44.35	44.63
Bay.Vereinsbank	54	53.30	53.45	53.80
Bayer	56.55	56.17	56.35	56.77
Berliner Kraft	416	415.50	415.50	416
BHF Bank	39.80	39.50	39.80	39.50
BMW	877.50	873	874.50	876
CKAG Colonia	119	118.20	118.20	119
Commerzbank	349.30	347	348	345.70
Daimler Benz	84.75	84.30	84.30	84.50
Degussa	559	545	555	553
Deutsche Bank	72.10	71.80	71.98	72.13
Dresdner Bank	48.78	48.30	48.42	48.65
Heidelbg Zmt	106.50	105	105.70	106.50
Henkel	65.30	64.90	65	65
Hochtief	73	72	72.10	74.20
Hoechst	56.03	55.75	55.97	55.99
Holzmann Ph.	353	348	350	341
Karstadt	525	521	521	535
Linde	985	979	979	978
Lufthansa ord	220.80	218.75	219.20	218
MAN	396	394	395.50	395.50
Mannesmann	573.70	569.50	573.70	576
Metro	139.30	138.10	138.10	140
Muench Rueck	3475	3460	3470	3476
Preussag	384.50	384.50	384.50	382
PWA	216.80	213	216.80	217
RWE	57.55	57.05	57.55	57.55
SAP pfd	252.50	251	252.10	252
Schering	118.60	117.30	118.50	119.15
Schmalb Lub	301	298.50	301	303.50
Siemens	80.94	80.70	80.80	80.90
Suedzucker	668	660	665	658
Thyssen	285.50	283.10	283.50	280
Veba	80.25	79.80	79.80	79.75
VEW	490	478.50	478.50	515
Viag	588.50	585	588.50	585
Volkswagen	580	574	574	578.75
Wella	927.50	920	925	923.90

Helsinki — HEX General Index: 2171.80, Previous: 2163.51

	High	Low	Close	Prev.
Cultor 1	235	230	235	230
Enso R	36.60	36.10	36.10	36.80
Huhtamaki IF	171	170.50	171	170
Kesko	73	72	73	72.10
Kone BF	475	467	475	469
Merita A	9.95	9.80	9.90	9.89
Metra BF	260	258	260	258.10
Metsa-Serla B	30	29	29.50	30
Nokia Prf F	204.50	202	202.40	202.50
Outokumpu A	86.10	84.50	86.10	84.40
Rautaruukki	39.90	39	39.50	39.60
Stockmann A	255	255	255	253
UPM-Kymmene	96.30	95.50	96	96.50
Valmet A	76	75.20	75.80	76

Hong Kong — Hang Seng: 11759.39, Previous: 11636.13

	High	Low	Close	Prev.
Amoy Props	9.05	8.85	8.85	8.85
Bk East Asia	28.60	28	28.25	28.15
Cathay Pacific	12.90	12.50	12.70	12.60
Cheung Kong	57.75	57	57.50	57
China Light	35.80	35.60	35.70	35.50
Chin Estates	6.85	6.80	6.85	6.80
Citic Pacific	35	34.80	34.90	34.70
Cons Elec Pwr	16.55	16.10	16.50	16.15
Dao Heng Bk	30.30	29.90	30.30	29.90
First Pacific	11.90	11.75	11.80	11.65
Great Eagle	23.30	22.70	22.70	22.70
Guangdong Inv	5.65	5.35	5.45	5.50
Guoco Group	37.70	36.90	37.70	37.10
Hang Lung	14.85	14.50	14.50	14.60
Hang Seng Bk	81	79.25	80.75	79.25
Henderson Inv	8.80	8.65	8.80	8.60
Henderson Ld	65.50	64.50	64.75	64.75
HKR Intl	9.05	8.90	9.05	8.90
HK Aircraft	19.40	19	19	18.90
HK China Gas	13.10	12.75	13	12.75
HK Electric	25.10	24.50	25.05	24.45
HK Shang Htls	14.25	13.80	13.80	13.90
HK Telecomm	13.70	13.50	13.70	13.50
Hopewell Hdgs	4.40	4.35	4.38	4.35
HSBC Hdgs	144.50	142	144	142.50
Hutchison Wh	51.75	50.75	51.50	50.75
Hysan Dev	24.40	24.05	24.25	24.10
Johnson El Hdg	18	17.35	17.40	17.55
Miramar Hotel	15.40	15.15	15.15	15.40
Natl Mutual	6.75	6.70	6.70	6.70
New World	40.20	39.60	40.20	39.60
Oriental Press	3.80	3.70	3.70	3.63
Shangri-La	10.25	10	10	9.98
SHK Props	81.50	79.75	80.75	79.75
Shun Tak Hdgs	5.15	4.98	5.15	5
Sino Land Co.	8.40	8.30	8.40	8.25
Sth China Post	5.75	5.50	5.60	5.60
Swire Pac A	69	67.75	68.75	68.25
Tsim Sha Tsui	10.35	10.10	10.35	10.10
TV Broadcasts	29.50	28.80	29.20	28.85
Wharf Hdgs	31.90	30.80	31.20	30.90
Wheelock	17.05	16.80	16.85	16.70

Jakarta — Composite Index: 573.38, Previous: 571.36

	High	Low	Close	Prev.
Astra Intl	3775	3725	3775	3750
Barito Pacific	1425	1425	1425	1400
Gudang Garm	9000	8700	8800	9000
Indah Kiat	1850	1825	1825	1825
Indocement	3450	3425	3425	3450
Indofood	4850	4575	4850	4475
Indorayon	2050	2000	2050	2050
Indosat	7900	7800	7900	8150
Kalbe Farma	5550	5500	5500	5500
Sampoerna	22500	22200	22500	22200

Johannesburg — All Market: 6923.21, Previous: 6934.51

	High	Low	Close	Prev.
AngloAm-Corp	280.50	277.25	280.50	277.25
AngloAm Gold	388	384	384	384.50
AngloAm Ind	166	162.50	164.50	164
Barlow	44.75	44	44.75	44
C.G. Smith	23.70	23.50	23.55	23.60
De Beers	142	140.25	141.25	140.75
Driefontein	50.75	50	50.50	50.50
Freegold	45.25	44.25	45	45
Fst Natl Bk	27.80	27	27.60	27.25
Gencor	17	16.20	16.20	16.40
GFSA	134	133	133.50	134.50
Iscor	3.04	2.97	3.01	2.98
Johnnies Ind	55.50	55.25	55.50	55.50
Kloof Gold	37.75	37.10	37.50	37.50
Liberty Life	140	137.25	138.50	137.25
Minorco	102.50	100	100.50	100.25
Nedcor	67.25	66.50	67.25	66.50
Rembrandt Gp	42	41.85	41.85	42
Richemont	74	73.25	73.25	73.50
Rust Platinum	75	70	72.75	73
SA Breweries	124	122	123	124.25
Sappi	39.55	39	39.50	39.30
Sasol	55	54	54	54.50
SBIC	195	190	193	190
Tiger Oats	64.50	63.75	63.75	64

Kuala Lumpur — Composite: 1130.59, Previous: 1128.81

	High	Low	Close	Prev.
Genting	18.40	18	18.30	18.50
Hicom Hldgs	6.90	6.85	6.85	6.85
Mal Banking	24.70	24.60	24.70	24.60
Mal Intl Ship F	7.50	7.40	7.45	7.45
Public Bank F	4.74	4.66	4.68	4.72
Resorts World	14	13.80	13.90	13.90
Sime Darby	8.25	8.20	8.25	8.25
Telekom Mal	22	21.80	21.90	21.80
Tenaga	8.80	8.75	8.75	8.75
Utd Engineers	19.30	19	19.20	19

London — FT-SE 100: 3946.40, Previous: 3933.20

	High	Low	Close	Prev.
Abbey Natl	5.97	5.92	5.94	5.94
Allied Domecq	4.57	4.48	4.53	4.49
Anglian Water	5.55	5.52	5.54	5.55
Arjo Wiggins	1.74	1.71	1.72	1.73
Asda Group	1.05	1.03	1.04	1.03
Assoc Br Foods	4.12	4.09	4.11	4.10
BAA	4.98	4.88	4.94	4.88
Barclays	9.30	9.24	9.25	9.26
Bass	7.92	7.82	7.87	7.82
BAT Ind	4.65	4.31	4.34	4.37
Bank Scotland	2.49	2.46	2.47	2.43
BICC	2.99	2.93	2.96	2.99
Blue Circle	3.90	3.85	3.85	3.90
BOC Group	8.79	8.72	8.78	8.77
Boots	6.35	6.23	6.27	6.30
Rexam	3.93	3.90	3.93	3.93
BPB Ind	3.76	3.70	3.76	3.74
Brit Aerosp	10.56	10.47	10.48	10.53
Brit Airways	5.36	5.30	5.32	5.34
BritGas	2.04	2	2.01	2.03
Brit Petm	6.59	6.50	6.54	6.48
Brit Steel	1.98	1.92	1.96	1.92
Brit Telecom	3.99	3.57	3.59	3.65
BTR	2.75	2.69	2.72	2.71
Burmah Cast	11.40	11.30	11.38	11.30
Cable Wireless	4.59	4.52	4.54	4.59
Cadbury Schw	5.33	5.17	5.20	5.17
Caradon	2.50	2.45	2.49	2.49
Carlton Comm	4.89	4.85	4.88	4.86
Coats Viyella	1.54	1.48	1.48	1.51
Comml Union	6.01	5.95	6.01	5.98
Courtaulds	4.80	4.75	4.80	4.75
De La Rue	5.98	5.90	5.94	5.89
EMI Group	13.55	13.41	13.43	13.48
Eng China Cl	2.03	1.97	2	2.03
Enterprise Oil	5.62	5.36	5.52	5.40
Fam Colonial	1.57	1.56	1.57	1.57
Genl Accident	6.79	6.75	6.77	6.79
GEC	3.98	3.67	3.96	3.99
GKN	11.07	10.98	10.98	11.03
Glaxo	10	9.75	9.95	9.73
Granada Gp	8.55	8.42	8.54	8.53
Grand Met	4.78	3.76	4.74	4.76
GRE	2.58	2.54	2.56	2.57
Guinness	4.57	4.45	4.53	4.48
GUS	6.54	6.45	6.49	6.43
Hanson	1.59	1.53	1.54	1.53
Hillsdown Hdg	1.84	1.79	1.81	1.81
HSBC Hldgs	11.96	11.85	11.90	11.74
ICI	8.35	8.25	8.30	8.26
Inchcape	2.87	2.80	2.84	2.84
Kingfisher	6.40	6.32	6.40	6.38
Ladbroke	2.09	2.05	2.08	2.05
Land Sec	7.05	6.96	6.96	7.04
Laporte	7.56	7.48	7.50	7.50
Lasmo	2.20	2.13	2.19	2.13
Legal Genl Grp	7.93	7.88	7.90	7.89
Lloyds Abbey	6.27	6.25	6.26	6.26
Lloyds TSB Gp	3.80	3.75	3.78	3.77
London Elec	6.30	6.18	6.25	6.24
LucasVarity	2.42	2.38	2.42	2.41
Marks Spencer	4.99	4.94	4.97	4.97
MEPC	4.39	4.33	4.39	4.38
Mercury Asset	10.28	10.22	10.22	10.29
Natl Power	4.01	3.96	3.97	3.97
NatWest	6.80	6.75	6.79	6.81
Utd Utilities	5.88	5.85	5.87	5.87
Nthern Foods	2.01	1.96	1.99	1.98
P&O	6.19	6.01	6.18	6.01
Pearson	6.80	6.71	6.75	6.71
Pilkington	1.98	1.85	1.86	1.89
PowerGen	5.02	4.69	4.91	4.99
Prudential	4.59	4.46	4.47	4.58
Rank Org	4.30	4.20	4.29	4.24
Reckitt Colm	7.17	7.05	7.16	7.11
Redland	4.50	4.44	4.50	4.46
Reed Intl	11.82	11.65	11.80	11.69
Rentokil	4.23	4.19	4.20	4.23
Reuters Hdgs	7.46	7.38	7.40	7.43
RMC Group	11.65	11.43	11.43	11.65
Rolls Royce	2.38	2.35	2.37	2.38
Royal Bk Scot	5.02	4.91	4.91	4.92
RTZ reg	9.81	9.49	9.68	9.51
Royal & Sun All	4.12	4.06	4.07	4.08
Safeway	3.34	3.28	3.30	3.29
Sainsbury	3.80	3.74	3.74	3.78
Schroders	13.90	13.75	13.90	13.88
Scot Newcastle	6.81	6.73	6.73	6.78
Scot Power	3.08	3.05	3.08	3.08
Sears	0.95	0.94	0.95	0.94
Severn Trent	6.38	6.03	6.03	6.18
Shell Trsp reg	9.93	9.27	9.78	9.73
Siebe	10.17	9.99	10.06	9.97
Smith Nephew	2.06	2.04	2.06	2.05
Smith (WH)	4.79	4.73	4.77	4.74
SmithKline	7.75	7.52	7.70	7.46
Smiths Ind	7.79	7.57	7.79	7.47
Sthern Elec	6.50	6.37	6.41	6.50
Stand Charter	6.97	6.83	6.87	6.95
Tate & Lyle	4.74	4.70	4.70	4.76
Tesco	3.05	3.02	3.04	3.03
Thames Water	5.60	5.49	5.51	5.55
3i Group	4.84	4.80	4.82	4.82
TI Group	5.81	5.69	5.69	5.78
Tomkins	2.78	2.71	2.76	2.72
Unilever	13.87	13.72	13.73	13.83
Utd Biscuits	2.02	1.99	1.99	2
Utd News	7	6.94	6.95	6.94
Vendome uts	5.89	5.85	5.85	5.85
Vodafone	2.23	2.18	2.18	2.21
Whitbread	7.09	7.01	7.01	7.06
Williams Hdgs	3.43	3.38	3.39	3.43
Wolseley	4.86	4.81	4.85	4.85
Zeneca	15.95	15.45	15.80	15.42

Madrid — Bolsa index: 366.45, Previous: 367.76

	High	Low	Close	Prev.
Acerinox	14830	14720	14780	14790
ACESA	1540	1515	1520	1530
Argentaria	5390	5300	5330	5360
BBV	5950	5850	5880	5940
Banesto	814	809	810	812
Bankinter	14990	14800	14850	14890
Bco Centro Hisp	2930	2870	2885	2885
Bco Exterior	2825	2820	2820	2815
Bco Popular	23240	23000	23230	23000
Bco Santander	6700	6610	6620	6660
CEPSA	3950	3865	3950	3890
Corp Mapfre	6210	6150	6160	6190
Dragados	1700	1640	1650	1670
Endesa	7610	7480	7550	7550
FECSA	970	962	965	965
Fomento Const	10290	10070	10140	10170
Gas Natural	23040	22600	22600	22940
Hidroel Cantab	3940	3865	3885	3905
Iberdrola	1285	1240	1250	1265
Pryca	3120	3070	3090	3060
Repsol	4200	4160	4170	4160
Sevillana Elec	1105	1085	1100	1100
Tabacalera	5540	5450	5510	5500
Telefonica	2410	2360	2370	2400
Union Fenosa	806	798	802	804
Valenc Cement	1415	1415	1415	1415

Manila — PSE Index: 3223.71, Previous: 3222.56

	High	Low	Close	Prev.
Ayala A	22	20.75	22	21.50
Ayala Land	32.50	32	32.50	32
Manila Elec A	107	104	105	107
Metro Bank	640	630	635	640
Petron	10	9.90	9.90	10
Phil Long Dist	1665	1655	1655	1670
San Miguel A	40	39	39.50	39.50
San Miguel B	86	86	86	85.50
SM Prime Hdg	6.20	6.10	6.10	6.10

Mexico — Bolsa index: 3236.79, Previous: 3239.53

	High	Low	Close	Prev.
Alfa A	33.50	32.75	33.50	33.50
Cemex B	31.15	30.65	30.90	31.15
Cifra C	11.04	10.90	11.04	11.04
Empresas ICA	114.00	112.80	114.00	114.30
Emp Moderna	36.50	36.00	36.50	36.10
Femsa	23.35	22.80	23.35	23.05
Gpo Carso A1	35.35	34.50	35.00	35.40
Televisa CPO	105.50	104.00	105.00	105.50
TelMex L	11.98	11.86	11.98	12.00
Tribasa	20.90	20.05	20.70	20.15

Milan — MIB Telematico: 10154.00, Previous: 9849.00

	High	Low	Close	Prev.
Alleanza Assic	11440	11135	11305	10895
Bca Comm Ital	3170	3010	3160	2970
Bca Naz Agricol	672	645	660	645
Bca Naz Lavoro	11700	11320	11650	11400
Bca di Roma	1384	1320	1384	1303
Bco Ambrosiano	3350	3310	3350	3230
Benetton	18000	17750	17750	17780
Credito Italiano	1770	1697	1764	1668
ENI	7705	7580	7705	7445
Fiat	4310	4175	4250	4215
Fondiaria	6075	5950	6075	5750
Generali Assic	32750	31950	32550	31650
IFIL	4045	3910	3970	3900
Italcementi	8900	8560	8900	8600
Italgas	5790	5560	5735	5485
Mediobanca	8840	8700	8810	8650
Montedison	995	949	982	935
Olivetti	541	525	525	527
Pirelli	2775	2720	2755	2660
RAS	14900	14500	14900	14280
Rinascente	9300	9130	9300	9105
S Paolo Torino	10040	9590	10040	9550
Standa	13200	13200	13200	13200
Stet	5320	5135	5290	5060
Telecom Italia	3400	3320	3400	3270
Toro Assic	17900	17395	17900	17110

Montreal — Industrials index: 2452.93, Previous: 2451.11

	High	Low	Close	Prev.
Alco I	20.28	20	20.20	20.15
Bank Montreal	36.70	36¼	36.35	36.55
Bce Mob Com	45.20	44.60	44.60	44¾
Cdn Tire A	18	17.95	18	18
Cdn Util A	28½	28¼	28¼	28.45
Cascades	6.10	6	6.05	6.05
CT Finl Svc	31.10	31	31.10	31
Extendicare	16.20	16.20	16.20	16.20
Gaz Metro	15.80	15.70	15¾	15¾
Gt-West Lifeco	38½	38¼	38½	38.05
Hees Intl Bcp	16.35	16.20	16¼	16.20
Hudsons Bay	19.90	19.70	19.90	19.70
Imasco	29.70	29.45	29.70	29.35
Investors Grp	21.65	21.40	21.60	22¼
Loblaw Cos	11.40	11.40	11.40	11.40
Molson A	19.70	19.55	19.60	19.65
Natl Bk Canada	12¼	12.10	12.20	12.20
Oshawa A	19.20	19.15	19.20	19¼
Pancan Petlm	48.40	48.40	48.40	48¾
Power Corp	24.10	24	24	24.10
Power Finl	43	42.70	42.95	43
Quebecor B	20½	20.30	20.45	20.30
Rogers Comm B	8.40	8.30	8.30	8.40
Royal Bk Cda	39.15	38.55	38.80	39.10
Sears Canada	7¼	7¼	7¼	7.80
Shell Cda A	44.35	44.20	44.35	44½
Southam	17	16.85	17	17
Stelco A	6.45	6.35	6.45	6.40
Trilon Finl A	5.80	5.80	5.80	5.90

Oslo — OBX Index: 466.38, Previous: 465.98

	High	Low	Close	Prev.
Aker A	134	133.50	134	133.50
Bergesen Dy B	137.50	137	137	138
Christiania Bk	16.60	16.40	16.40	16.40
Den norske Bk	20.70	20.50	20.60	20.50
SAS Norge ASA	62.50	61	61.50	62
Dyno Indust	145	144	145	143
Elkem	91	89.50	90	90
Hafslund A	50	48.80	48.80	49.10
Kvaerner	253	242	245	252
Leif Hoegh	111	110	110.50	110
Norsk Hydro	314.50	311	313	314.50
Norske Skog A	186	184	185	187.50
Orkla	360	350	359	356
Rieber B	146	145.50	145.50	147
Saga Petm B	96.50	96	96.50	96.50
Schibsted	95	94	94	94
UniStorebr A	36	35.70	35.80	35.90

Paris — CAC-40: 2107.85, Previous: 2104.14

	High	Low	Close	Prev.
Accor	640	632	636	636
AGF	145.60	143.10	144	144.20
Air Liquide	815	799	801	818
Alcatel Alsth	430.90	416.20	430	407
Axa	305.50	301.20	304.80	300.50
Bancaire	541	526	538	532
BNP	194	192.20	192.90	192.40
Bouygues	458.50	444.60	450.10	452
Canal Plus	1268	1245	1255	1255
Carrefour	2848	2810	2834	2840
CCF	236.80	232.50	234.80	235.70
Credit Local F	443.50	438	440	440.40
Credit Lyon PC	139.90	129	139.90	139
Crown Cork Seal	235	235	235	231.30
Danone	756	743	745	755
Elf-Aquitaine	402	399.90	400.50	401.80
Eridania BS	791	777	789	784
Euro Disney	11.15	11	11	11.15
Eurotunnel uts	9.45	9.05	9.15	9.25
Gen. Eaux	567	553	562	552
Havas	342.50	338.50	339.90	341.30
Lafarge Cop	299.50	293.30	297	295.30
Legrand	880	870	871	878
L'Oreal	1718	1700	1714	1707
LVMH	1110	1061	1099	1058
Lyon. Eaux	459.20	453.10	453.80	459.20
Michelin B	262.30	260.60	261.40	261.90
Navig Mixte	723	720	723	720
Paribas A	327.40	322.50	326	325.50
Pechiney SA	222.90	218.80	220	223.10
Pernod Ricard	280.80	277	277.70	280.20
Peugeot Cit	582	557	563	580
Pinault-Print	1897	1870	1880	1901
Promodes	1398	1354	1375	1387
Renault	128	121.30	122	127.20
Rh-Poulenc A	144.80	142.70	143	144.10
Roussel-Uclaf	1240	1230	1230	1236
Sanofi	424.50	413	415.60	420
Schneider	246	241.10	242.40	245.70
Ste Generale	583	573	577	579
St Gobain	688	674	686	675
St Louis	1236	1205	1229	1219
Suez	204.90	201.50	203.50	203.50
Thomson CSF	154	149	151.50	150.10
Total B	403.50	400	402	403.50
UAP	103.90	102.30	102.50	103.30
Valeo	284.50	281.50	281.50	278.90

São Paulo — Bovespa index: 64684.60, Previous: 65234.10

	High	Low	Close	Prev.
Bco Brasil Pfd	9.75	9.60	9.60	9.57
Banespa Pfd	2.55	2.45	2.49	2.53
Bradesco Pfd	8.75	8.70	8.75	8.75
Brahma Pfd	637.00	633.00	633.00	635.00
Cemig Pfd	30.70	30.50	30.60	30.70
CESP Pfd	30.50	30.30	30.50	30.30
Eletrobras B	286.00	285.00	285.00	287.00
Itaubanco Pfd	419.50	418.50	419.50	417.50
Light	315.00	314.00	315.00	311.01
Paranapan Pfd	7.10	7.05	7.05	7.10
Petrobras Pfd	118.50	116.50	117.00	118.00
Sid Nacional	22.25	21.10	21.10	22.10
Souza Cruz	6.95	6.90	6.94	6.94
Telebras Pfd	82.50	80.50	80.90	81.70
Telesp Pfd	206.00	198.00	200.00	206.50
Usiminas Pfd	1.04	1.02	1.02	1.03
CVRD Pfd	20.25	20.20	20.25	20.25

Markets Closed

Stock markets in Seoul and Taipei were closed Friday for a holiday.

Singapore — Straits Times: 2171.65, Previous: 2172.48

	High	Low	Close	Prev.
Cerebos Pac	11.80	11.80	11.80	11.80
City Devts	12	11.70	11.90	11.80
Cycle Carriage	15.10	15	15.10	15
Dairy Farm Int*	0.62	0.61	0.62	0.63
DBS	9.15	9.10	9.15	9
DBS Land	4.76	4.66	4.70	4.68
Fraser & Neave	14.90	14.50	14.50	14.70
HK Land*	2.33	2.30	2.33	2.30
Hong Leong Fin	N.T.	N.T.	N.T.	3.46
Jard Matheson*	6.20	6.15	6.15	6.40
Jard Strategic*	3.22	3.16	3.20	3.12
Keppel	10.90	10.60	10.70	10.80
Natsteel	2.47	2.43	2.47	2.42
Neptune Orient	1.24	1.21	1.22	1.23
OCBC foreign	17.20	16.90	17	17.10
O'Sea Union Bk	6.55	6.45	6.50	6.55
Sembawang	6.80	6.70	6.75	6.75
Sing Airlines F	14.40	14.10	14.10	14.30
Sing Petm	1.81	1.80	1.80	1.80
Sing Press F	25.50	25.30	25.40	25.40
ST Auto F	2.90	2.89	2.90	2.90
ST Ship	2.03	2.01	2.01	2.01
Sing Telecomm	3.22	3.18	3.22	3.18
Straits Steam	4.56	4.50	4.52	4.50
Utd Industrial	1.27	1.23	1.23	1.24
Utd O'Sea Bk F	13.70	13.40	13.60	13.70
Wing Tai Hdgs	3.40	3.28	3.40	3.28

*: in U.S. dollars.

Stockholm — SX 16 Index: 2175.33, Previous: 2168.49

	High	Low	Close	Prev.
AGA BF	110	108	108	109
ABB AF	707	700	703	706
AssiDoman F	162.50	160.50	160.50	162
Astra AF	280.50	277.50	279	277
Atlas Copco AF	138	135.50	136.50	136.50
Avesta F	67	66	66.50	66
Electrolux BF	378	365	370.50	375
Ericsson BF	170.50	168	168	170.50
Hennes BF	801	763	801	769
Incentive AF	390	386	387	385.50
Investor BF	257	254	255.50	254
Kinnevik BF	175	172.50	174.50	175
MoDo BF	183.50	179	180	181.50
Sandvik BF	158.50	157	157.50	157.50
SCA BF	137	135.50	135.50	136
S-E Banken AF	58.50	55	58	55
Skandia Fors F	182.50	175	182	171
Skanska BF	252	248	249	248
SKF BF	160	159	159	159
SSAB BF	99.50	98	98.50	98
Stora AF	88	85.50	86.50	87.50
Sv Handles AF	164	162	164	160.50
Sydkraft AF	153	150	153	150
Trelleborg BF	89.50	88	89	88.50
Volvo BF	147	145	146	146.50

Sydney — All Ordinaries: 2283.80, Previous: 2273.40

	High	Low	Close	Prev.
Amcor	7.65	7.58	7.60	7.65
ANZ Bkng	7.16	7.09	7.16	7.15
BHP	16.49	16.28	16.35	16.34
Boral	3.25	3.18	3.23	3.19
Brambles Ind.	20.25	20.10	20.10	20.20
Burns Philp	1.77	1.70	1.77	1.71
CBA	11.58	11.50	11.58	11.58
CC Amatil	16.40	16.30	16.39	16.45
Coles Myer	4.66	4.60	4.61	4.64
Comalco	7.02	6.92	7	6.92
CRA Ltd	18.98	18.65	18.95	18.75
CSR	4.45	4.40	4.44	4.41
Fosters Brew	2.28	2.26	2.27	2.27
GIO Australia	3.14	3.12	3.14	3.12
Goodman Fld	1.30	1.28	1.28	1.28
ICI Australia	12.05	11.75	11.80	11.75
John Fairfax	2.69	2.66	2.69	2.69
Lend Lease	20.60	20.46	20.60	20.45
Mayne Nickless	8.54	8.46	8.50	8.47
MIM Hdgs	1.55	1.52	1.54	1.52
Nat Aust Bank	13.20	13.04	13.19	13.12
News Corp	6.64	6.56	6.63	6.63
North Ltd	3.62	3.54	3.60	3.54
Pacific Dunlop	2.63	2.56	2.61	2.58
Pioneer Intl	3.48	3.45	3.45	3.49
Placer Pacific	1.58	1.54	1.57	1.55
Santos	5.41	5.37	5.41	5.29
Southcorp	3.57	3.54	3.57	3.57
Wesfarmers	7.86	7.75	7.86	7.75
Wstrn Mining	8.35	8.07	8.30	8.09
Westfield Trt	2.35	2.30	2.33	2.30
Westpac Bkng	6.51	6.40	6.50	6.44
Woodside Pet	8.50	8.25	8.30	8.35
Woolworths	2.81	2.79	2.81	2.79

Tokyo — Nikkei 225: 21547.82, Previous: 21461.37

	High	Low	Close	Prev.
Ajinomoto	1240	1220	1240	1240
All Nippon Air	1090	1080	1090	1090
Asahi Bank	1260	1240	1260	1230
Asahi Chem	720	710	720	705
Asahi Glass	1230	1210	1230	1210
Bk Tokyo Mitsu	2400	2370	2380	2360
Bk Yokohama	870	855	860	857
Bridgestone	1960	1950	1960	1950
Canon	2180	2150	2180	2150
Chiba Bank	900	881	900	871
Chubu Elec	2380	2370	2380	2380
Chugoku Elec	2350	2320	2340	2330
Daiei	1050	1030	1050	1030
Daiichi Kang	1900	1870	1880	1890
Daiwa Bank	719	710	710	711
Daiwa House	1590	1580	1590	1590
Daiwa Sec	1270	1250	1260	1250
Fanuc	4150	3970	4140	3960
Fuji Bank	2180	2140	2180	2140
Fuji Photo	3400	3340	3400	3400
Fujitsu	1070	1040	1060	1060
Hitachi	1090	1060	1080	1070
Honda Motor	2800	2760	2790	2770
IBJ	2490	2470	2480	2470
IHI	544	535	542	537
Itochu	695	681	688	681
Ito-Yokado	6200	6150	6190	6150
JAL	770	759	770	776
Jusco	3390	3320	3360	3380
Kajima	1030	1000	1020	1010
Kansai Elec	2440	2410	2440	2440
Kao	1390	1360	1390	1370
Kawa Steel	370	361	370	364
KDD	11000	10800	11000	11000
Kinki Nipp Ry	775	770	772	773
Kirin Brewery	1240	1220	1220	1230
Kobe Steel	295	290	295	289
Komatsu	955	948	955	946
Kubota	657	651	657	652
Kyocera	8010	7930	8000	7930
Kyushu Elec	2380	2360	2380	2370
LTCB	819	786	819	786
Marubeni	582	570	578	579
Marui	2200	2180	2200	2190
Matsu Elec Ind	1880	1850	1870	1850
Matsu Elec Wk	1110	1090	1110	1100
Mitsubishi	1410	1390	1400	1400
Mitsubishi Ch	485	477	482	485
Mitsubishi El	750	732	740	756
Mitsubishi Est	1510	1490	1510	1510
Mitsubishi Hvy	900	892	898	897
Mitsubishi Mat	942	938	942	938
Mitsubishi Tr	1730	1710	1720	1740
Mitsui	978	957	965	952
Mitsui Fudosn	1470	1430	1460	1450
Mitsui Trust	1200	1180	1190	1190
Murata Mfg	4000	3910	3980	4000
NEC	1310	1280	1290	1300
New Oji Paper	844	828	838	834
Nikko Sec	1210	1180	1200	1180
Nintendo	7200	7010	7150	7230
Nipp Credit Bk	372	367	372	369
Nipp Express	1010	995	1000	1010
Nippon Oil	687	667	680	687
Nippon Paper	665	654	662	661
Nippon Steel	347	344	346	346
Nippon Yusen	579	573	577	573
Nippondenso	2490	2440	2490	2450
Nissan Motor	906	892	906	900
NKK	284	280	284	280
Nomura Sec	2030	1990	2020	1980
NTT	8210a	8130a	8180a	8150a
Obayashi	917	908	915	903
Odakyu El Ry	729	720	725	720
Ono Pharm	3500	3490	3500	3490
Osaka Gas	375	370	375	372
Ricoh	1150	1130	1140	1140
Sakura Bk	1110	1090	1110	1110
Sankyo	2850	2830	2850	2840
Sanwa Bank	2020	2000	2010	2020
Sanyo Elec	595	585	592	593
Secom	7070	6980	7070	7010
Seibu Rwy	5960	5920	5960	5940
Sekisui House	1210	1190	1210	1210
Seven-Eleven	6980	6930	6980	6850
Sharp	1850	1800	1840	1810
Shimizu	1110	1080	1090	1100
Shin-etsu Ch	2010	1980	2000	1980
Shizuoka Bk	1320	1300	1310	1370
Sony	7010	6940	7000	6960
Sumitomo	973	965	973	970
Sumitomo Bk	2060	2020	2040	2020
Sumit Chem	517	511	517	515
Sumitomo Elec	1540	1520	1530	1530
Sumit Metal	316	310	316	316
Sumit Trust	1400	1390	1390	1380
Taisei	710	691	708	695
Taisho Pharm	2330	2310	2330	2300
Takeda Chem	2040	2030	2040	2050
TDK	6860	6770	6850	6780
Tohoku El Pwr	2420	2390	2420	2400
Tokai Bank	1380	1370	1370	1360
Tokio Marine	1310	1280	1300	1280
Tokyo El Pwr	2700	2680	2700	2700
Tokyo Gas	383	379	381	378
Tokyu	786	772	772	786
Tonen	1600	1570	1600	1590
Toppan Print	1530	1490	1520	1500
Toray Ind	698	690	691	699
Toshiba	766	754	764	764
Toyo Seikan	3660	3600	3620	3650
Toyo Trust	1030	1020	1030	1030
Toyota Motor	2860	2800	2850	2810
Yamaichi Sec	700	688	700	692
Yamanouchi	2370	2350	2360	2360
Yasuda Fire	765	755	759	754
Yasuda Trust	615	606	615	606

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Toronto — TSE Industrials: 5301.85, Previous: 5304.62

	High	Low	Close	Prev.
Abitibi Price	17.55	17.40	17.45	17½
Air Canada	4.94	4.91	4.92	4.90
Alberta Energy	26.95	26¾	26.90	26.90
Alcan Alum	41.35	40.85	41	41.30
Avenor A	22.40	22.10	22¼	22.40
Bk Nova Scotia	38.65	38.10	38½	38.80
Barrick Gold	35.05	34.40	34½	34.60
BCE	58¼	57.85	58.15	57.85
BC Telecomm	27¼	27.10	27.20	27.15
Bombardier B	19.35	18.45	19.20	18½
Brascan A	25.40	25¼	25.40	25.40
Cameco	66.95	66.40	66.90	66¼
CIBC	49.60	49.05	49.30	49.20
Cdn Airlines	1.90	1.80	1.90	1.81
Cdn Nat Res	30.40	30.10	30.20	30.15
Cdn Occid Pet	22.70	21.90	21.90	22
Cdn Pacific	31.85	31.40	31¼	31¼
Cominco	28.20	27½	28.10	27.85
Consumers Gas	21.40	21.20	21¼	21.45
Dofasco	21.05	20.95	21	20.95
Domtar Ind B	8.90	8¾	8.90	8.80
Du Pont Cda A	31½	30½	31	31
Echo Bay Min	12.10	11.80	11.80	11.90
Empire Co. A	13¼	13.20	13¼	12.95
Falconbridge	27½	27.10	27½	27.30
Fletcher Chall A	18½	18.30	18.40	18.30
Franco Nevada	51	50	50.30	50¾
Guardian Cap A	10¼	10	10¼	10¼
Horsham	22.30	21½	22.10	21.35
Imperial Oil	58.40	57.70	57.70	58¼
Inco	42¼	41.55	41¾	42.35
IPL Energy	37	36.85	37	36.95
Laidlaw A	15	14.95	15	14.90
Laidlaw B	15.05	14.90	15	15
Loewen Group	56.30	55.05	55¾	56
Ldn Insur Gp	31.60	31.30	31½	31½
Macmill Bldl	18.70	18.40	18.65	18.40
Magna Intl A	66¾	65.80	65.80	66.10
Maple Leaf Fds	9½	8.95	9½	8.95
Moore	25.15	24¾	25	24.80
Newbridge Net	46	44.40	44.40	45.65
Noranda Inc	28	27.70	28	27¾
Noranda Forest	8.70	8.55	8.65	8.55
Norcen Energy	27½	27.05	27.40	27.10
Nthern Telecom	80.35	79.30	79½	80.35
Nova	12.10	11.95	12.05	12.05
Onex	14.20	14	14.20	14
Placer Dome	33.15	32.70	32.70	33
Potash Sask	101.35	99.90	100.60	101½
Provigo	6.20	6.15	6.15	6¼
Quebecor Print	22.80	22.55	22.80	22.60
Renaissance	39.55	39.40	39.55	39.40
Rio Algom	26.10	25.60	26.10	25.80
Seagram Co	52¼	51.40	52	51.40
Stone Consold	15.35	15.20	15¼	15.20
Talisman Eny	37	36¾	36.80	36.90
Teleglobe	24.15	23.90	24.05	24.15
Telus	18.80	18.70	18.70	18¾
Thomson	24½	24.30	24.35	24.35
TorDom Bank	27.70	27	27.40	27.65
Transalta	16	15.90	15.95	15.95
TransCda Pipe	21.90	21.70	21.85	21.70
Utd Dominion	27.45	27	27.10	27¼
Westburn	10	9.90	10	9.90
Westcoast Eny	21.60	21.40	21.55	21.35
Weston	55¼	55	55	55½

Vienna — ATX Index: 1048.81, Previous: 1042.97

	High	Low	Close	Prev.
Aust Airlines	1390	1390	1390	1450
Brau-Un Goess	638	630	635	634
Bund Vers Pfd	N.T.	N.T.	N.T.	490
Creditanst Pfd	471	465.45	471	465
EA-Generali	2980	2922	2980	2970
EVN	1400	1396	1400	1398.90
Interunfall	1500	1500	1500	1500
Lenzing	666	655	666	660
Leykam	319	297	305	320
Mayr-Melnhof	518.50	518.50	529	528
OMV	1065.60	1055	1065	1060.20
Oest Brau	670	652	670	657
Oest Elektrz	753	743.10	746	752
VA Tech	1398	1389	1397	1389
Wienerberger	1969	1953	1967	1953

Wellington — NZSE-40 Index: 2222.82, Previous: 2234.26

	High	Low	Close	Prev.
Air N Zeald B	3.06	3.04	3.05	3.05
Brierly Invt	1.41	1.39	1.41	1.42
Carter Holt ord	3.28	3.24	3.28	3.29
Fernz	4.40	4.40	4.40	4.40
Fisher Paykel	4.93	4.91	4.91	4.91
FC Forest	2.14	2.10	2.12	2.13
Goodman Fder	1.45	1.45	1.45	1.45
Indep News	5.70	5.67	5.69	5.70
Lion Nathan	3.66	3.62	3.62	3.68
Nat Gas note	2.12	2.11	2.11	2.12
NZ Refining	26.50	26.50	26.50	27.00
Telecom NZ	6.90	6.82	6.85	6.90
Wilson Horton	10.57	10.57	10.57	10.57

Zurich — SPI Index: 2373.87, Previous: 2374.65

	High	Low	Close	Prev.
Adecco B	349	345	345	349
Alusuisse R	947	935	935	945
Ares-Serono B	1251	1246	1250	1248
Baloise Hdg R	2615	2565	2585	2575
ABB B	1526	1509	1524	1514
BK Vision	732	720	732	725
Bobst B	1664	1650	1655	1665
Ciba Geigy R	1593	1585	1586	1585
CS Holdings R	123.25	122.25	122.75	123
Elektrowatt B	496	491	495	493
Fischer B	1225	1215	1222	1227
Hilti PC	850	848	850	844
Holderbank B	911	907	908	906
Jul. Baer Hdg B	1293	1290	1290	1299
Nestlé R	1387	1375	1376	1385
Oerlikon R	126.50	125.50	125.50	125.50
Pargesa Hld B	1370	1350	1370	1370
PharmVisn B	547	539	543	543
Pirelli B	165	162	163	161
Roche Hdg PC	9150	9100	9130	9140
Sandoz R	1498	1489	1489	1489
SBC R	240	238.75	238.75	239.25
Schindler B	1250	1235	1235	1250
SGS B	2850	2825	2835	2830
SMH B	843	835	837	837
Sulzer R	723	701	719	699
Swiss Reins R	1316	1303	1307	1314
Swissair R	1036	1025	1029	1040
UBS B	1199	1180	1195	1185
Valora Hdg R	219	216	216.25	218
Winterthur R	785	774	775	775
Zurich Assur R	346	342	342	344

The Trib Index

Closing prices.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	140.21	+0.38	+0.27	+6.32
Regional Indexes				
Asia/Pacific	130.41	+0.82	+0.63	-2.87
Europe	147.79	+0.47	+0.32	+6.19
N. America	145.55	+0.11	+0.08	+13.46
S. America	110.37	-0.79	-0.71	+23.96
Industrial Indexes				
Capital goods	154.71	+1.09	+0.71	+16.43
Consumer goods	149.32	+0.24	+0.16	+8.15
Energy	149.07	+0.50	+0.34	+9.92
Finance	120.80	+0.60	+0.50	-5.05
Miscellaneous	144.81	+0.35	+0.24	+6.63
Raw Materials	168.57	+0.26	+0.16	+17.47
Service	127.12	-0.11	-0.09	+5.93
Utilities	130.57	-0.07	-0.05	+2.70

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg Business News.

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NYSE

Friday's 4 p.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

Continued on Page 16

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A Quiet U.S. Insurer Vies for Asians' Attention

By Kevin Murphy
International Herald Tribune

HONG KONG — Big, conservative and very quiet, Principal Financial Group has strolled into Asia, but the company from the American Midwest may need to alter its style to make a major impact in Asia's life-insurance and pension-management markets.

The Iowa-based insurer's 118-year history, its No. 8 ranking among American life insurers in balance-sheet size and its $58 billion in assets will not by themselves win many mandates in a part of the world where brand names are big and nonbank retirement and pension savings are not — at least not yet.

"We've grown in a Midwestern way, by letting our actions do the talking for us," said Christopher Reddy, regional director of marketing for Principal International Asia Ltd., based in Hong Kong. "But in this market, if you don't blow your own horn, you are not going to be heard at all."

Reveille has already been sounded in Hong Kong's life-insurance market, attracting dozens of companies from around the world, most of whom now view Hong Kong as a beachhead for an assault on the massive and now largely closed China market.

But rising individual wealth and a move by the government to make pension savings mandatory for all local workers — both part of a trend across Asia — have now lured a second wave of money managers, including Principal, to Hong Kong.

'We've grown in a Midwestern way, letting our actions do the talking. But in this market, if you don't blow your own horn, you are not going to be heard.'

Although a final pension plan has yet to be passed by local legislators, the expectation among life-insurance companies and asset-management firms is that the legislation will channel about 30 billion Hong Kong dollars ($3.88 billion) each year for a few decades into a new pool of savings.

While many companies are eager to manage some of the new money, the profit margins may be too low for some life insurers to bother with. Analysts estimated the margins on pension funds could be as low as 0.5 percent, compared with 7 percent to 8 percent earned on regular life policies among Hong Kong's leading insurance firms.

Asset managers are eyeing the new stream of funds, too, but analysts say the logistical headaches of administering group plans may prove too much for fund companies. For many asset managers, it could be easier if Asia developed along the lines of Singapore and Malaysia, where government-administered pension funds are increasingly giving mandates to private-sector money managers.

As private pension-fund administration emerges as a specialist business in Hong Kong and elsewhere in Asia, companies such as Principal will be trying to translate their sober home strengths into local opportunities.

But, admitted Rex Auyeung, managing director of Principal's Asian operations and head of Principal Insurance Co. (Hong Kong): "This is going to be a tough place to do it. The definition of 'long-term' here is about six months."

Recently granted a local life-insurance license, Principal intends to distribute its life products through independent brokers and advisers as it prepares for the group-pension-fund business. A November launch of its products will be accompanied by a major advertising campaign in local media, an uncharacteristic step for it.

"In keeping true to our roots, we won't come out yelling and shouting," said Mr. Reddy. "You could say it will be a mix of Des Moines and Hong Kong."

In attempting to internationalize its core insurance business, Principal Mutual Life Insurance Co., Principal looked first to South America and Europe, concentrating on its life and pension operations.

Now a similar strategy is unfolding in Asia, said Mr. Auyeung, who does not rule out developing asset-management interests in markets still wary of opening to foreign life insurers, such as India and China.

Investor's Asia

Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	11,769.48	11,836.10	-1.06
Singapore	Straits Times	2,171.05	2,172.48	-0.07
Sydney	All Ordinaries	2,283.60	2,273.40	+0.45
Tokyo	Nikkei 225	21,547.82	21,461.37	+0.40
Kuala Lumpur	Composite	1,130.59	1,128.81	+0.16
Bangkok	SET	1,047.95	1,042.80	+0.49
Seoul	Composite Index	Closed	783.21	
Taipei	Stock Market Index	Closed	6,508.17	
Manila	PSE	3,223.71	3,222.56	+0.04
Jakarta	Composite Index	573.30	571.26	+0.36
Wellington	NZSE-40	2,222.02	2,234.06	-0.54
Bombay	Sensitive Index	3,254.73	3,307.05	-1.58

Source: Telekurs International Herald Tribune

Windows 95 Is Ruled Out Of Character

Bloomberg Business News

BEIJING — The government has ordered Microsoft Corp. to give out free updates of its Chinese-language Windows 95 after users of the software reported rogue anti-Communist slogans popping up on their screens.

Microsoft's spokesman in Hong Kong, Bryan Nelson, said Friday that the rogue messages were in the software used for entering Chinese characters. Microsoft is trying to determine where the slogans came from, he said, adding that many programmers had helped write the software.

The slogans, reported to include "Take back the mainland!" and "Communist bandits," suggest computer programmers in Taiwan could have been the source.

Mr. Nelson said the messages appeared when users of the software tried to enter traditional characters, which require more keystrokes than the standard Chinese characters used on the mainland.

He would not say exactly how many Windows 95 users there were in China, although he said the number was in the hundreds of thousands. Users will be able to download the revised Windows 95 free of charge from the Internet starting Saturday, he said.

Electronics Slowdown Fails to Stop Show

Bloomberg Business News

SINGAPORE — You would not know from the sizzle and activity at the Comdex Asia computer trade show here that the region has been suffering from a global slowdown in demand for computers and electronics goods.

In fact, the Asian market for computers and electronic gadgets — from videoconferencing equipment and personal computers to computer-simulation software and games — remains as hot as ever.

"The slowdown people are talking about is generally reflective of the European market, and a bit of the United States, not of Asia-Pacific," said Janardan Menon, a computer-industry analyst with the market-research concern Dataquest Inc. in Singapore.

"Asia-Pacific is sitting pretty," he said, "with China going great guns and Korea performing far above expectations. Singapore, Malaysia are all doing well."

Worldwide, sales growth of personal computers is expected to slow to about 19 percent in volume terms this year from last year's 25 percent, according to Dataquest, but Asia-Pacific countries excluding Japan are expected to see growth of more than 25 percent in unit shipments for the year.

That kind of demand drew scores of industry heavyweights to the annual trade show, from Siemens Nixdorf Informationsysteme AG, Hewlett-Packard Co. and Microsoft Corp. to Sun Microsystems Inc. and Fujitsu Ltd. The show, which ended Friday, was twice the size of last year's, with double the floor space and the number of exhibitors.

With Asian corporations increasingly forging links among their often-widespread regional operations, corporate spending on technology is expected to soar; and with the Internet, that global network of computer networks, beginning to catch on in the region, the local market is gaining ever more strength.

Siemens Nixdorf of Germany, for example, expects its sales in the region to jump 65 percent in the year that ends Monday, Sept. 30 to $280.5 million and has a goal of $1 billion in regional sales by 2000.

"The show is targeted at the corporate market and the top management who make the key decisions, not the home user," Bernard Tan, a technology analyst at Merrill Lynch & Co., said. That has brought to the show an onslaught of advanced copiers, scanners, storage devices and monitors to "complete the experience," said a salesman at Eizo, a maker of high-end professional display monitors.

Even as the Asian market continues its boom, signs of a possible pickup in markets elsewhere are bringing hope to the region's makers of electronics components.

Intel Corp., the world's biggest maker of microprocessors, or computer "brains," said this month it expected its third-quarter revenue to be higher than previously forecast, and there also signs that personal-computer makers have nearly finished the process of working off their inventories and may step up orders again, Mr. Tan of Merrill Lynch said.

"PC demand is now partly fulfilled by inventories, which means production will pick up soon to meet the rest of the demand," he said.

Very briefly:

• **Chongqing Changan Automobile Co.** said it hoped to raise up to 578 million Hong Kong dollars ($74.75 million) selling shares to foreigners, including **Suzuki Motor Co.** of Japan.

• **Pan Asia Pacific Aviation Services Ltd.**, which is jointly owned by **SIA Engineering Co.**, a unit of **Singapore Airlines**, **Malaysia Airlines**, **Garuda Indonesia** and **Royal Brunei Airlines** have signed an agreement to provide services at Hong Kong's new Chek Lap Kok Airport.

• **Australia's** government has forced six board members, more than half the board, of **Telstra Corp.**, the state-owned telecommunications company, to quit. The shake-up precedes a planned 8 billion Australian dollar ($6.3 billion) public sale of one-third of the company and deregulation of the telecommunications market in July.

• **Cathay Pacific Airways Ltd.'s** managing director, **Rod Eddington**, was named as the new executive chairman of **Ansett Australia Ltd.**, which is partly owned by Rupert Murdoch's **News Corp.**

• **Viacom Inc.** and **PolyGram NV's** satellite-television joint venture **MTV Networks Asia** plans to start a channel exclusively for Indian viewers as part of an expansion plan.

• **Asahi Glass Co.** of Japan is planning to build a $125 million float-glass factory in southern Vietnam with a local partner.

Bloomberg, Reuters, AFP, AFX

Orbital Says Indonesia Will Use Its Engine

Reuters

SYDNEY — Shares in Orbital Engine Corp., an Australian engine designer, soared on Friday after the company said it would supply engines for a proposed Indonesian car in a deal an Orbital official described as a "pot of gold."

"On the Indonesian front it certainly is high volume production in the automotive market, a pot of gold at the end of the rainbow for Orbital," said Steve Hill, Orbital's investor relations officer.

No financial details of the deal were released, which Orbital executives described as the company's biggest to date.

On Friday, Orbital shares closed at 1.15 Australian dollars ($0.91), up 14 cents, or 14 percent.

The company said that its Orbital Combustion Process engine had been selected by Indonesia for use in the Maleo car project. The Indonesian government hopes to begin producing 100,000 of the cars a year in 1998.

Deutsche Telekom in China Phone Deal

Compiled by Our Staff From Dispatches

BONN — Deutsche Telekom AG said Friday it bought a 25 percent stake in a cellular phone venture in China.

The local partner, China International Trust & Investment Corp., known as CITIC, holds 30 percent of the venture. Siemens AG holds a 15 percent share, while American International Group Inc. has the remaining 30 percent.

Deutsche Telekom said, "The partners expect around 600,000 subscribers to the network by the year 2010."

The network will be based on Europe's GSM, or global system for mobile telecommunications, and will cover the cities of Tianjin, Wuhan and Qingdao, which have a combined population of more than 20 million. CITIC, a government agency, holds shares in China Unicom, which will operate the GSM networks in the three cities.

The deal could boost GSM technology, which is the dominant digital cellular communications standard.

(Reuters, AFX, Bloomberg)

RISK: *Europe Warms to High-Growth Business*

Continued from Page 11

to slash its deficit, has little money for traditional subsidized lending. Its small-business boosting tool — the cut-price loan of up to 500,000 Deutsche marks ($330,000) — now falls far short of what most hi-tech companies actually need.

In the drive to set up small-company markets, executives in pursuit of funding, and politicians in pursuit of growth, have found a surprising ally: bankers. For decades, Europe's bankers have viewed every dollar raised in a stock offering as one dollar less for themselves to lend.

Lately, though, many of the biggest Continental banks have reconsidered that phobia. Europe's growing respect for entrepreneurs has arrived at the same time as the concept of shareholder value. For bankers, this has led to a de-emphasizing of traditional lending, where margins have fallen and risks remain high, in favor of generating income from services such as equity placements.

A case in point is France's Societe Generale. Last year, the bank's chairman announced a major shift in strategy, toward such commission-based, underwriting and deal-making operations as bringing promising young companies to the stock market. "We consider this to be at the heart of the new activities that will form the core of our business in the future," said Alain Maillet, who heads the French bank's equity underwriting operations. "First, it is good for employment; second, it is good for society and third, of course, it is good for banks." France's small-company stock market, the Nouvean Marche, has signed up a dozen companies since it began last April, and it hopes to double that number by year's end.

The strength of investor appetite for high-growth companies remains untested. Economists point to the low levels of ownership of stocks of any sort among most Continental households. When Europeans do venture into the stock market, they shop conservatively. A British corporate financier said, "The first stock a German will invest in will be a big safe Seimens, not a high-risk, no-profits biotechnology company."

But analysts predicted a change. Some of America's foremost specialists in floating small companies have recently set up offices in London. "We think there are real opportunities here," said Patrick Spencer, who heads the London office of Hambrecht & Quist. "Easdaq and the other new markets will help focus people's attention on these kinds of companies."

GAMBLE: *Airlines Object to U.S. Law's Reach*

Continued from Page 11

ecutive officer of Singapore Airlines, said. "But outside U.S. airspace, we think it's very unreasonable."

Until two years ago, non-U.S. carriers were allowed to offer gambling on flights to and from the United States, but U.S. airlines were not, and so they complained to Congress. Some U.S. airline executives urged their lawmakers to lift the ban so that they could also offer gambling on international flights.

Instead, Congress extended the ban to gambling on all flights to and from the United States. It also asked the Department of Transportation to take a closer look at the issues involved.

William Karas, a lawyer in Washington who represents the airlines, said that in its study, released in April, the department "completely skirted the legal issue" of whether the U.S. gambling ban violated international law.

The Transportation Department study estimated that if U.S. carriers did not install personal in-flight entertainment systems offering gambling, movie, games and shopping, they could lose nearly $500 million a year in revenue as passengers flying across the Atlantic and Pacific oceans switched to airlines that did offer such systems.

ALCATEL ALSTHOM

First half 1996 Results

Return to break-even in 1996

Paris, September 26, 1996 - On September 25, 1996, Serge Tchuruk, Chairman and Chief Executive Officer, presented the first half 1996 results and reported the progress on Alcatel Alsthom's recovery plan to the Board of Directors.

During the first half, the Group registered income from operations of FF 0.5 billion compared with FF 1.4 billion in the first half 1995 and a net loss of FF 0.4 billion compared with a loss of FF 1.2 billion in the corresponding period of 1995.

The Board of Directors noted that the results were in line with the action program and reflected the recent trends and the still limited effects of the current recovery plan. The Board also noted that the effects of the plan, already more noticeable for the second half, enabled the Group to aim at a return to break-even for the whole year and to foresee a significant reduction in debt, taking into account the divestments already completed as of today.

Progress of the Recovery Plan

The plan announced a few months ago is progressing according to expectations.

- Half of the FF 10.0 billion asset disposal program has been achieved. It should be completed in the coming months, which will result in a substantial reduction of the debt to equity ratio.
- The objective of achieving global savings of FF 7.0 billion per year by 1998 is maintained.
- Restructuring measures, mainly concerning the Telecom and Cable sectors, have become indispensable due to the radical changes occurring in the Group's economic environment. Since mid-1995, close to 20,000 job reductions, principally in Europe, have been announced or realized in these two sectors. The subsequent plans seek all possible solutions to reclassify affected employees.
- Simultaneously, the Group has began a program to significantly reduce (by FF 10.0 billion) its gross operating assets as well as its administrative expenses which could allow annual savings of over FF 2.0 billion.

Results at June 30, 1996

Activities during the first half were characterized by numerous commercial successes which, despite the market fall in undersea cables, resulted in a global increase of 3.8% in orders, which reached FF 81.5 billion.

Sales during the first half, which mainly reflected delivery of orders received in 1995, amounted to FF 74.3 billion, a decrease of 3.4% over the same period in 1995, on a comparable basis.

Income from operations amounted to FF 0.5 billion compared with FF 1.4 billion during the first half 1995.

This decrease comes from the Telecom sector for FF 0.6 billion and the Cables sector for FF 0.3 billion.

The increase of FF 0.8 billion in net income, is mainly due to a reduction in income tax and an increase in net income of equity affiliates.

Redeployment of the Telecom business

The Group's telecommunications sector has repositioned its activity fowards segments with strong growth prospects, backed by a product offering geared to the latest market trends.

- While switching remains a key element of Alcatel's business the product portfolio is undergoing significant transformation, favoring sectors with high growth potential: transmission, access systems, data networks, mobile infrastructure. Orders and sales will progress by more than 40% in 1996 in the field of transmission.
- The strategy of alliances and partnerships is being pursued, through cooperation with Sharp in the mobile handset activities, and with the signing of an agreement with Motorola regarding mobile communications infrastructure (CDMA and DECT standards) and for the cross supply of equipment.

All of these actions together should allow the Telecom business to regain a significant growth rate in the coming years (+5% to +10% per year).

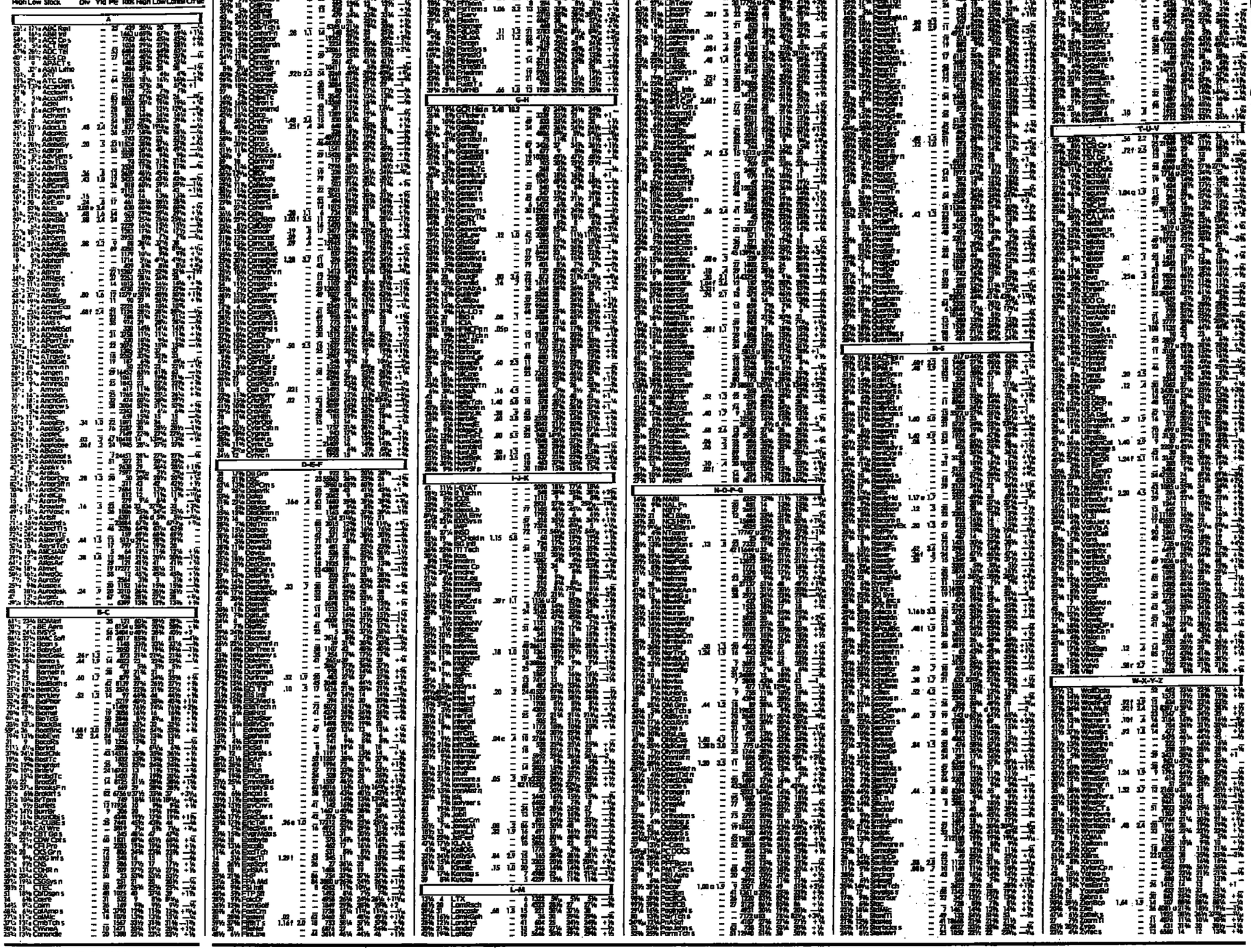
"Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995: This press release contains certain forward looking statements relating to the Group's expectations regarding results for the full year 1996, expected savings from the recovery plan, and the Group's asset disposal program. Such expectations assume (I) that anticipated costs of the recovery plan will not increase; (II) that operating results and cash flow from operations will not be affected by unexpected factors including market declines, the effects of privatizations or deregulations in the telecommunications sector (including changes in the investment strategy of major operators), increased competition, the development of new technologies, increases in other costs, or changes in volume; and (III) that the Group will be able to divest non-strategic assets in a satisfactory manner. Actual results could differ materially from the above as a result of these or other factors.

INVESTOR RELATIONS: Tel (33.1) 40 76 10 68 • Fax (33.1) 40 76 14 05 • Email: http://www.alcatel.com/

NASDAQ

Friday's 4 p.m.

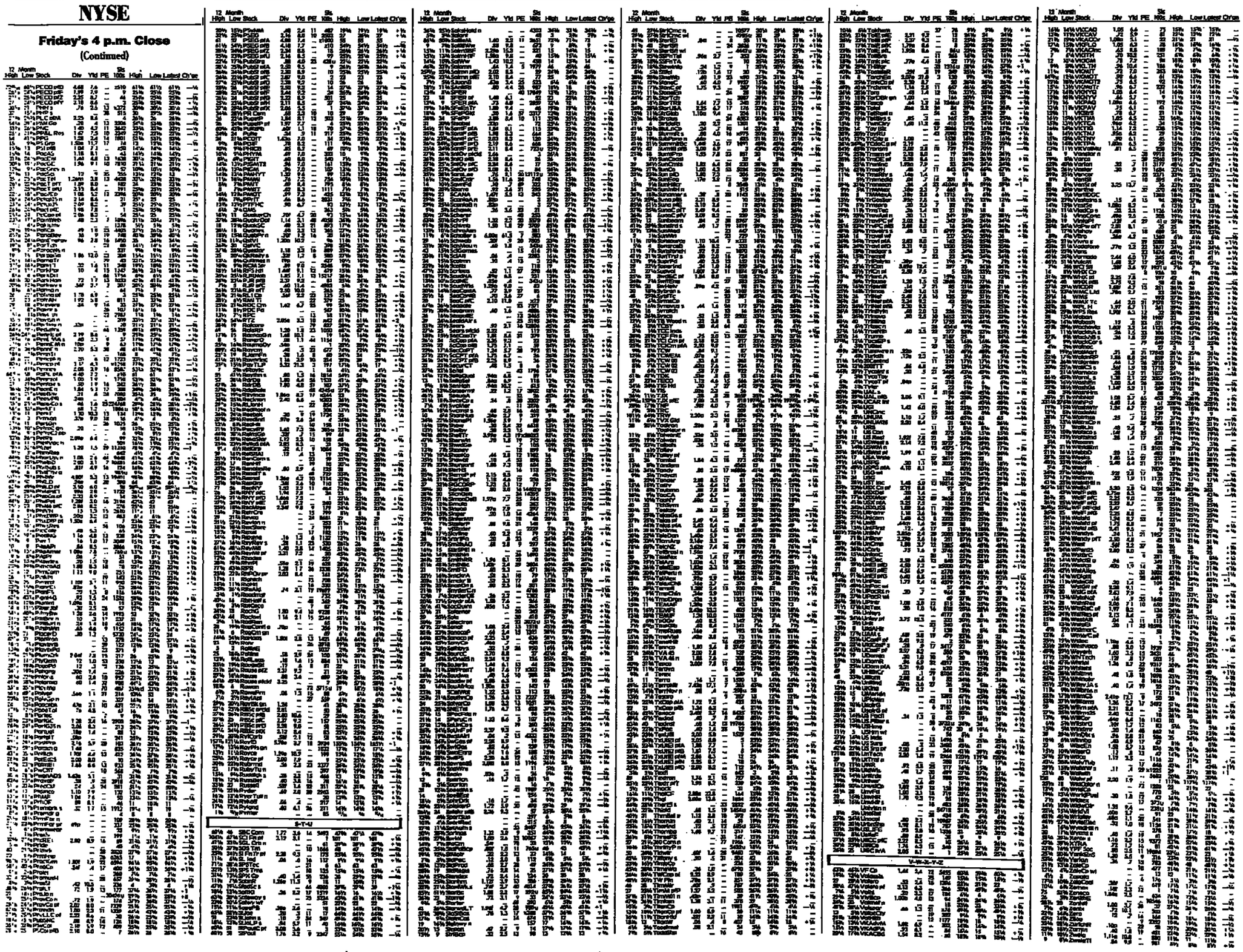
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.



NYSE

Friday's 4 p.m. Close

(Continued)



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Herald Tribune INTERNATIONAL

MONEY

SATURDAY-SUNDAY, SEPTEMBER 28-29, 1996
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Sin, Death, Politics And Huge Profits

Why Philip Morris Is a 'Buy'

By James K. Glassman

WITHOUT A DOUBT, the world's most fascinating stock is Philip Morris Cos., maker of Marlboro cigarettes, Miller beer, Jell-O, Kraft cheese and a few hundred other things.

The attraction of Philip Morris is intellectual and emotional. It's a stock that has everything: huge profits, sin, death, politics, fierce legal battles and superb management.

By traditional standards, the stock of Philip Morris is absurdly cheap. Analysts expect that the company will earn about $9 in after-tax profits for every share next year, yet as of Thursday it was trading at about $90. That's a price-to-earnings ratio of 10. The average stock in the Standard & Poor's 500 Index has a P/E of 16. The P/E for Microsoft Inc., whose profits are growing at about the same rate as those of Philip Morris, is 34.

Of course, there's no secret why Philip Morris carries such a low price tag: As the America's largest tobacco company, it's the target of hundreds of lawsuits, by individuals, states and the federal government for making a product that shortens people's lives.

The question with Philip Morris — the reason it is such a fascinating stock — is whether concerns about litigation, not to mention regulation and legislation, are overblown. Many smart analysts and money managers believe they are.

For example, Fidelity Investments, the world's largest mutual-fund house, owns 67 million shares of Philip Morris, or 8 percent of the stock. Donald Yacktman, who runs one of my favorite funds, bought more Philip Morris in August when the price plummeted from $107 to $87 on news that a Florida jury had awarded $750,000 to a veteran smoker with lung cancer. Currently, Philip Morris shares comprise 12 percent of the Yacktman Fund's assets.

But, for my money, the person who knows the most about Philip Morris is an analyst at Sanford C. Bernstein, the New York research and money management firm, named Gary D. Black. I have read Mr. Black's reports on Philip Morris for years, but only last week did I actually speak with him. He lived up to his reputation.

Mr. Black believes that the stock is "an excellent long-term investment." He points out that "people have always worried about tobacco litigation. They always discount the stock, but Philip Morris keeps growing its earnings at 18 percent a year."

Since 1981, despite lawsuits and the heavy hand of government, Philip Morris stock has returned an average of 25.6 percent annually. That's about 10 percentage points better than the return for the market as a whole. A $50,000 investment in Philip Morris 15 years ago, with dividends reinvested in the stock, is worth $1.2 million today.

What is remarkable about Philip Morris is that the same pattern keeps repeating itself. Investors panic at a new legal maneuver, or even a scare like the one in 1993, when brand-name cigarettes were temporarily hurt by generics; prices are driven down; then, suddenly, the market remembers that Philip Morris is a great company, and the price jumps back up.

Mr. Black pays close attention to the ratio between the P/E of Philip Morris and that of the S&P 500 as a whole. Right now, it is about 62 percent, close to the all-time low of 55 percent.

Also, Philip Morris is paying a dividend of $4.80, for a yield of 5.3 percent — or more than twice the yield of the average stock. That, says Mr. Black, is "by far the highest relative yield ever." A high yield usually means a cheap stock.

This year, the company will make $6.3 billion in after-tax profits on $70 billion in sales, according to the Value Line Investment Survey. Its return on equity is an incredible 41 percent.

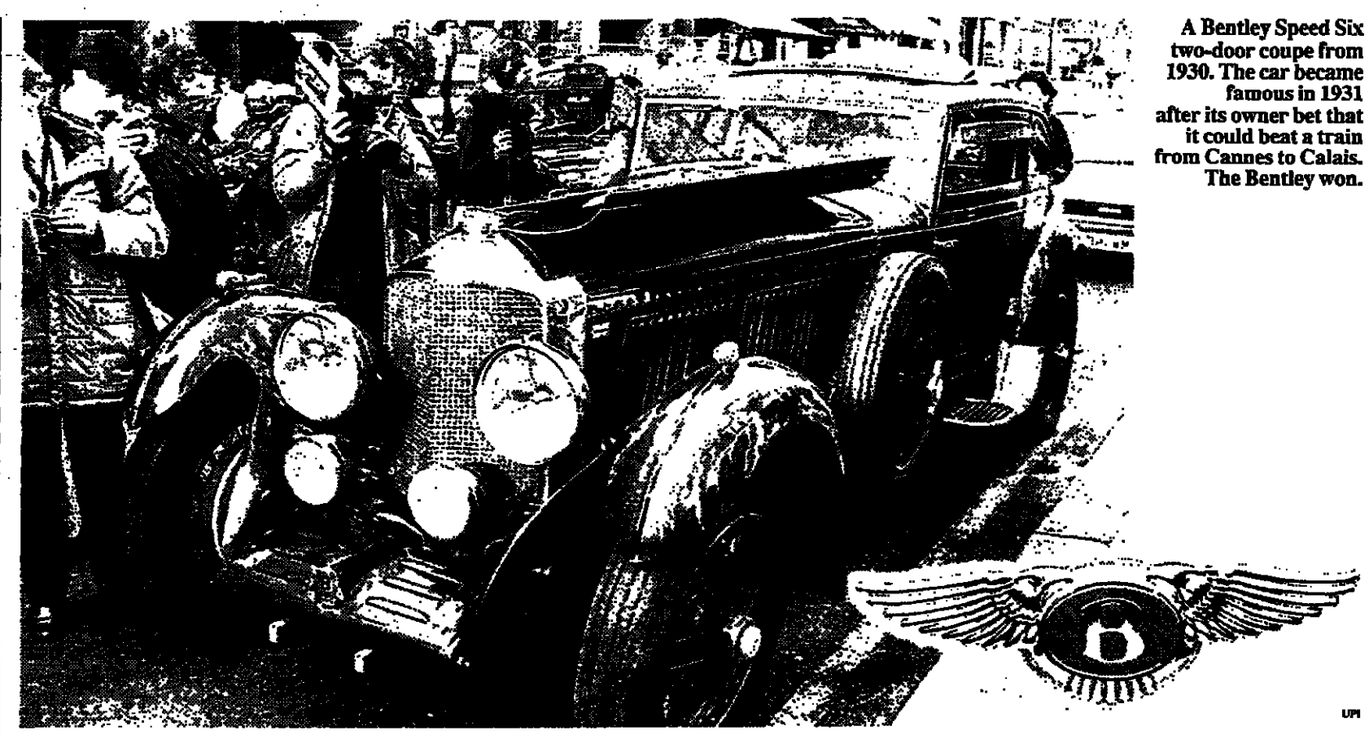
Mr. Black deconstructs Philip Morris this way: Tobacco sales in the United States account for only about 30 percent of the company's $13 billion in cash flow (that is, profits before taxes, interest and depreciation). If you simply take the company's food, beer and international tobacco businesses and give their profits a relatively modest multiple, you find that the market is valuing them at $83 a share. But, as of Sept. 25, the entire company had a stock price of just $91 a share.

So domestic tobacco is being valued by the market at just $8 — or barely two times pretax cash flow.

If Philip Morris dips below $83, it will be as though the market were valuing its U.S. tobacco at zero. And the truth is that it's a spectacular business.

"The product is a necessity," Mr. Black said. "And the barriers to entry for competitors are very high. You can't get into this business because you can't advertise. And Philip Morris doesn't need the cash it generates, so it gives it back to the shareholders."

Washington Post Service



UPI

A Bentley Speed Six two-door coupe from 1930. The car became famous in 1931 after its owner bet that it could beat a train from Cannes to Calais. The Bentley won.

Driving Your Dream: A Splendid Solitude

By Conrad de Aenlle

FORD and the world Fords with you," the saying goes. "Rolls and you Rolls alone." The desire to drive something unique helps to explain why some people spend more on their cars than most of us do on our homes. They want to Rolls or Bentley or, if they are inclined to be sportier, Ferrari alone. They find that owning such cars provides them with singular joys and comforts, even if they must also endure a few singular tribulations.

A joy for one Bentley owner, a broker in London's financial district, is being "cosseted in leather and walnut veneer," which helps put distance between him and the rabble he must share the road with.

"When you're in such opulent surroundings, stress levels are low, so while all around you are losing their heads, you'll keep yours," he said.

He bought his 1995 Turbo, when it was a year old, "with my heart, not with my head," for £110,000, or $170,000. The features include chrome knobs for the ventilation ducts, lamb's wool floor mats and a compartment under the center arm rest holding a couple of liquor flasks and a set of crystal. These can be set on the walnut picnic tables that fold down from behind the front seats.

"It's always been a car I wanted; it has fantastic presence," he said of his Bentley, the third he has owned in three years, each more expensive than the last. While such cars are thought of as stodgy, he noted that it handles well, and with its massive 6.7-liter, 400-horsepower V-8 engine, he has bombed down the highway at 130 miles an hour (about 210 kilometers per hour).

Bentley owners are more likely to do that than Rolls-Royce owners.

"Bentley is a car for drivers, a Rolls tends to be a car for people who are driven," said a spokeswoman for Vickers PLC, the company that has made both since 1980. Vickers bought the automotive division of Rolls-Royce Ltd. from the government, which had nationalized it after it went under in 1971.

The first Rolls-Royce was produced in 1904. Royce designed the cars; Rolls handled the marketing side of things and ended up with top billing. In the 1930s Rolls-Royce bought Bentley, which was founded by a builder of racing cars.

Rolls-Royce Motor Cars made 1,556 cars last year in a ratio of 60 Bentleys for 40 Rolls-Royces, said Janette Green, a spokeswoman for the division. The price range is £106,000 for a Brooklands to £222,500 for a Bentley Azure. Rolls-Royce's various models fall in the middle, fetching between £118,000 and £135,000.

Each car has a number of handmade parts, and prices can vary greatly depending on the options.

"Every customer has the ability to personalize the motorcar to his own specifications," Mrs. Green said. "The world is their oyster in terms of what they want — satellite navigation systems, entertainment packages, video recorders, fax machines — absolutely anything you want. I don't think there's really a lot we couldn't do."

Except to make the cars cheaper.

"There isn't the room to maneuver, but people are not buying these because of the price," said Andrew Shaw, general manager of TWR Northampton, a dealer in several brands of upper-end cars, including Rolls-Royce and Bentley. "They're looking for a car that suits their requirements."

The bespoke way the cars are made allows a buyer "to have a car that he knows no one has to those specifications anywhere in the world," Mr. Shaw said.

When it comes time to sell, such cars will do their owners no favors, either. Resale values can be quite low.

"No one should think of buying a Bentley or Rolls-Royce as an investment or store of value, because depreciation is quite high until 40,000 to 50,000 miles," the London broker said. The curve then becomes much less steep because there are fewer older models in circulation and demand is steady enough to keep prices up.

'When you're in such opulent surroundings, stress levels are low.'

In between buying and selling, there is little letup in expense. The broker estimated his annual costs at £1,200 to £1,600 for maintenance and £2,000 for insurance. Then there is £10 every week or so for a wash. As for fuel, that costs a lot, too, as the car only gets about eight miles to the gallon in town, about twice that on highways (or about 30 liters per 100 kilometers in town, 15 liters on the highway).

The broker also spends £1,800 a year for parking, although a good solution for evenings out, he said, is to park in front of a hotel reeking of class and hand the doorman "the keys and a fiver" and it's safe for the duration.

The sort of people who buy luxury cars do not have to choose between changing the oil and buying coal for the furnace, of course. A survey of Bentley and Rolls-Royce owners visiting the factory in Cheshire found that the average owner has close to half a dozen other cars, Mrs. Green noted; 70 percent have a high-end Mercedes or BMW, and 27 percent own a Ferrari or a Porsche. More than half have an art collection, one-third own a yacht, and the same percentage own a second home abroad.

They are sort of people, in other words, whom others might envy. The broker said his car had never been vandalized, but he realizes that for this to remain true he must not park on the street. Of fellow drivers he encounters, the angriest seem to be those who are older, "who have reached that age where they feel they should be driving this car," and London taxi drivers of any age.

One day, he said, he allowed several cars to pass him on a narrow street, then came grill-to-grill with a taxi. Neither driver would back down and back up.

Unprintable words were exchanged, then the broker told his nemesis that the experience of sitting in his car and listening to music was so pleasurable that he was content to wait. The cab driver, without the luxury of time or of a Bentley, was forced to reverse.

Overseas Stock-Picking Made Easier

By Judith Rehak

THE STANDARD ADVICE for investors who want to venture beyond their native turf is to buy a fund and let the professionals do the work. After all, the reasoning goes, why hassle with companies in faraway places, with foreign currencies and indecipherable financial statements, not to mention political risk and assorted pitfalls in emerging markets?

But such warnings are being drowned out by the clamor of companies around the world that are seeking shareholders abroad, and especially in the large and liquid U.S. markets. And they are no deterrent to those intrepid individuals who prefer to go it alone and pick their favorite companies. According to brokers who deal with them, these investors are sophisticated, active traders who like the wider choice and the challenge of evaluating international stocks and running their own investments.

Financial groups, sensing the demand, are responding by making it easier for U.S. investors to buy non-U.S. stocks. This represents a change from the past, when trading in foreign shares was often frustrating and costly, especially in the United States, where little research was available, and extra charges for currency conversions and foreign brokerages were routinely tacked on to commissions.

The number of non-U.S. companies issuing American depositary receipts has exploded to some 1,600 companies from 64 countries, according to the Bank of New York, a leading manager of such programs. ADRs, dollar-denominated certificates that represent shares of a foreign company, are one of the easiest and safest ways for U.S. investors to hold non-U.S. shares.

Twenty-four international companies are participating in an American-style direct purchase, dividend-reinvestment program introduced recently by J.P. Morgan in New York. The program allows individuals to buy depositary receipts for companies ranging from British Telecom PLC and Cadbury Schweppes PLC to Sony Corp. and Banco Santander SA at market price plus a small charge — for example, $17 for 100 shares — with subsequent dividends to be automatically reinvested.

Nicolas Asfouri

"We expect to have more than 50 companies by mid-November, including some Latin American and Asian ADRs," said Eric Frank, a Morgan vice president.

Not far behind is the Bank of New York. "We'll have our version of a no-load dividend-reinvestment plan before year's end," said Ken Lopian, senior vice president of the bank's ADR group.

And, of course, many non-U.S. companies, such as British Airways PLC and L.M. Ericsson AB, list their shares on U.S. exchanges. These issues must obey strict U.S. financial disclosure laws.

In Europe, depositary receipts, especially for companies in emerging markets, are becoming more widely available.

Listings at the London Stock Exchange have leaped to 46 from only one two years ago, dominated by such countries as Korea, Taiwan and India, where buying shares locally is either impossible, or risky, because of settlement problems, registration delays, and currency restrictions, said Penny Edge, head of the exchange's global depositary receipt group.

Even the tiny Berlin Stock Exchange has a flourishing business. Taking advantage of its natural and historical affinity to Central and Eastern Europe, and burgeoning demand from individual investors, it boasts depositary receipt listings for an array of Russian companies like Lukoil, and the retailer Torgovy GUM, the Czech Republic's Komercni Bank, and several Polish and Hungarian concerns.

But what of the investors who prefer ordinary shares over a depositary receipt, or want to own a company that is only listed on its home exchange? They are finding it easier as well.

In the United States, extra charges have largely disappeared, and commissions are generally the same as for domestic stocks. The choice comes down to a full-service brokerage like Merrill Lynch, where overall commissions are at the high end, but clients have access to 4,000 international stocks, full-fledged research, recommendations and handholding; or, for those willing to do more of their own homework, lower commissions at a discount brokerage like Charles Schwab & Co. or a smaller discounter that specializes in foreign shares.

At Schwab's new global service for individuals, trading is mostly in ordinary shares, and an example of a commission would be a maximum of $55 for the first 100 shares of a trade, according to Steve Chandler, the group's manager. No advice is dispensed, but Schwab offers live quotes from overseas exchanges, news stories about a company, and earnings projections from IBES, an institutional service.

"It's rare that we can't find information on a foreign company," said Mr. Chandler.

Several smaller U.S. discounters specialize in international stocks as well. Clients at Marquette de Bary in New York include Americans living abroad and foreign nationals.

"They like our low commissions," said Joseph Bonjorino, vice president of trading, adding, "Foreigners tell me they also save on the VAT tax, and Americans feel more comfortable with the common language and a firm that is based back home."

About 40 percent of the firm's non-U.S. business is in ordinary shares, much of it in Mexican and French companies.

Source: Bloomberg

IHT

Rate News is Good News for Car Shares

By Aline Sullivan

AMONG the loudest sighs of relief this week after the Federal Reserve Board left U.S. interest rates unchanged were those of executives at the Big Three automakers. Fears that higher rates would erode sales at Chrysler Corp., General Motors Corp. and Ford Motor Co. look unfounded, at least for now.

"The market had priced higher rates into these stocks, but it is starting to look like we threw a recession and nobody came," said David Garrity, an analyst at Smith Barney in New York. "Instead, investors are going to be very impressed by the earnings and cash flow that these companies will be able to generate if the economy continues to grow between 2 percent and 2.5 percent a year."

Shares in each of the three companies are still about 8 percent off the highs reached in the spring, but some industry analysts say they could recover soon.

"It has been an interesting time because we have been surrounded by the controversy over interest rates and are in the middle of labor negotiations," said Joseph Phillippi, auto analyst at Lehman Brothers in New York. "Investors don't like uncertainty, and these stocks have suffered."

Chrysler, in particular, is poised to become a market darling. Nick Lobacarro, an analyst at Bear Stearns & Co. in New York, likes Chrysler's relatively low-cost production and its ability to expand sales abroad of its minivans and jeeps. Currently, sales outside the United States represent only about 15 percent of Chrysler's business, compared with about 25 percent for Ford and General Motors.

"It is adding capacity in the right segments and should be able to take advantage of some great international opportunities," Mr. Lobacarro said.

Mr. Phillippi agreed that Chrysler was "the most efficient and most exciting company of the Big Three." He expects the stock to climb about 40 percent to $40 a share in the next 12 months.

Investors were further cheered on Wednesday when Chrysler's president, Robert Lutz, told a dealers' convention that he was optimistic that the company would reach an equitable settlement with the United Auto Workers union. Negotiations with the union are expected to start next month.

Ford earlier this month agreed to keep 95 percent of its UAW work force during the life of a three-year contract, unless it was hit by a severe industry downturn. General Motors has not yet started its labor negotiations.

Many analysts are positive about General Motors' long-term prospects but less enthusiastic about Ford's. Mr. Garrity is advising investors to accumulate shares in General Motors and "hold" shares in Ford. "We applaud management efforts but are less than impressed with the company's returns to date," he said. "Ford is a high-cost producer and still has a product line that is priced beyond what the market is willing to pay."

Ford started to redress these concerns in May when it introduced lower-priced versions of its Taurus sedan and Windstar minivan. Sales of both vehicles had plunged when the company raised prices late last year.

Bigger changes may be on the horizon. Ford is widely expected to name William Clay Ford Jr., great-grandson of founder Henry Ford and current chairman of the company's finance committee, as the successor to the chairman and chief executive, Alex Trotman. That would mean passing over Edward Hagenlocker, executive vice president and president of Ford automotive operations. The company has declined to comment.

All three companies have benefited from recent improvements in design and production that have helped boost their total market share, at home and abroad. In August, the Big Three garnered a 73.1 percent share of the American light-vehicle market.

To date, these gains have not been translated into significantly higher share prices. The Big Three are still underperforming the Standard & Poor's 500 index of leading U.S. stocks by about 2 percent so far this quarter.

Analysts warn that buyers should stay on their toes. Possible higher interest rates remain a threat.

"These stocks are already discounted and car sales continue to be quite good," said Nick Colas, an auto analyst at Credit Suisse First Boston in New York. "But the companies could still be in for a pretty tough 1997 if rates rise."

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September 27, 1996

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THE WORLD'S DAILY NEWSPAPER

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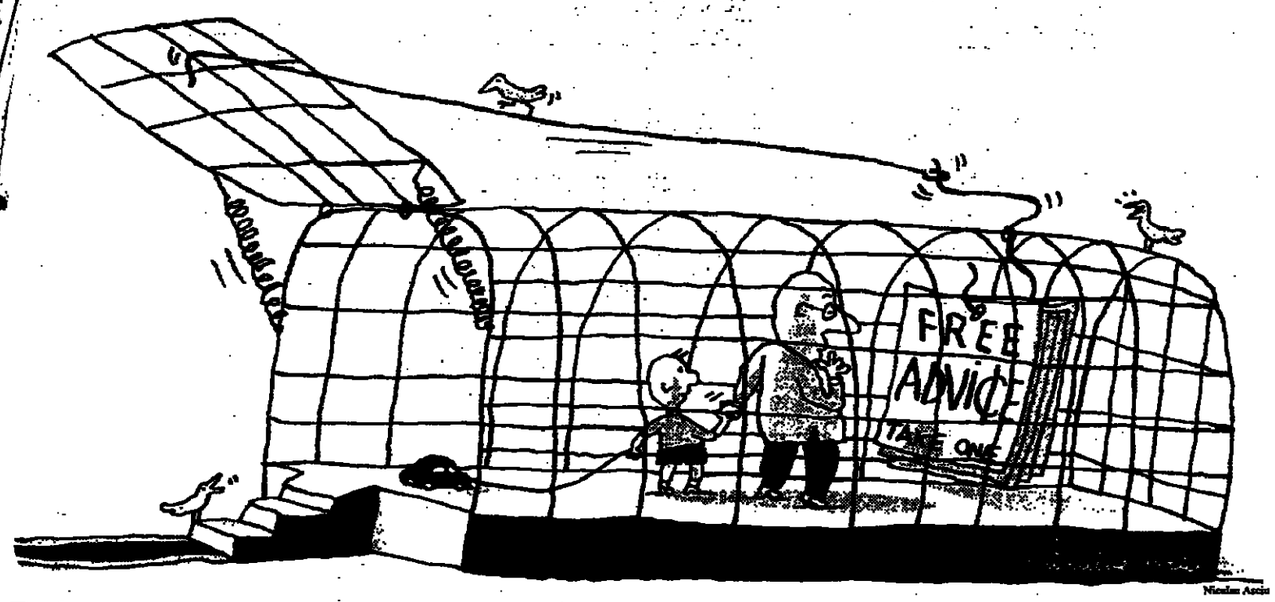


Nicolas Assia

These Junk Mailers Are Wasting Their Money

By Susan Antilla

THE NEIGHBORS aren't talking yet, but the mailman must be scratching his head: My 8-year-old son, Matt, is getting junk mail from high-risk investment hucksters and hot-stock peddlers.

Grow rich from "a potentially explosive situation in the grain markets," promises one. Earn 14.9 percent return "100 percent guaranteed and insured," says another.

How did he wind up on mailing lists to sell everything from penny-stock newsletters to investment units of "a piece of Hollywood in the making?"

It's my doing. I signed him up.

After writing an article about Money World, a would-be "magazine" that is actually an artfully disguised public relations vehicle for corporate customers of an investor relations firm, I got curious about the company the magazine might be keeping. Who do these guys sell their mailing lists to, anyway?

So I pulled out a perforated reply card that offered readers more information about "Rumor Mill," a hot stocks column that runs in each issue. I filled it out, using Matt's name. But I slightly misspelled his last name so that I could track the mail that originated from my inquiry. Today, my sports-obsessed child is being lured to entirely new horizons.

Some, particularly the occasional pitch for noninvestment items that Money World no doubt did not intend to be hawking to an 8-year-old, do not sit well with his mother.

Take, for example, the index-card-sized pitch for "Men's Perspective" magazine. Matt no doubt would be thrilled by the promise of a "free baseball cap with paid order." But I'll invest his college money in penny stocks before I'd let him look inside a magazine that blares the headline "Are You Good in Bed?" I'll also skip showing him the solicitation to buy a pheromone-based spray "specifically designed to trigger ladies behavior."

I would, however, let him look into the 123 Disney stamps "guaranteed to be the most lovable collection of postage stamps you'll ever own," if he wants to part with $3.95 of his allowance. And, if he cares, he could call 1-888-GET COIN for a free "low mintage" coin, which, no doubt, will put him on a dozen new mailing lists.

In his tax bracket ($5 a week allowance, plus the occasional endowment from his grandmother) he probably doesn't need the 100 percent tax writeoff trumpeted by an outfit that pitches "unlimited oil and natural gas profits" for a minimum $5,000 investment. And I'm not sure I'd want him to be involved in the one that would let him own his own automated teller machine — a minimum $15,000 investment with potential annual returns of 50 percent, it trumpets.

There's no way he would care about the investment newsletters. Dow Theory Forecasts, OTC Growth Stock Watch, United and Babson Investment Report and the Low Priced Stock Survey may never grab Matt's attention, particularly given his career aspirations to be an ambulance driver.

Similarly, I can't imagine he will care about the "managed futures kit," which, at $95, seems a lot of money to spend for a kid who wouldn't be home from school until the markets had closed.

In fact, just about all the new postal pals Matt has made since he became an investment company target are really in businesses that are over his head, or outside the reach of his limited income.

Some, though, might grab his attention in any event.

A brochure for a $7,500 minimum investment in the ostrich meat business explains that "Ostrich meat is the healthy red meat of the future," adding that "While other investments waiver, Ostriches just GROW!"

The idea, of course, is to invest in the stuff. Matt, though, might take it on himself to call the 800 number and give his name and address once he sees the sweet drawing of the long-legged ostrich, ordering delivery of one of the feathered beasts.

And that, of course, would mean someone else would put him on a mailing list.

Bloomberg Business News

U.S. Tells Banks to Cool It on Credit Cards

SOME BIG U.S. BANKS are flooding mailboxes with preapproved credit-card applications without doing the basic homework to see if the potential borrowers can repay their debts, a federal bank regulator has warned.

The agency that regulates 2,800 national banks, the Comptroller of the Currency, on Thursday urged banks to improve lending controls as they compete aggressively for card business. Comptroller Eugene Ludwig said that while consumer lending posed no fundamental threat to banks at this time, there were "problems with credit-card lending that neither regulators nor the banking industry can ignore."

In 1995, U.S. banks mailed 2.7 billion credit-card solicitations, or about 17 for each adult American, according to a survey. Bad consumer loans, chiefly credit-card debt, rose 36 percent to $3.8 billion in the second quarter, according to government figures. *(AP)*

Betting on Yeltsin's Health

Big Russian Eurobond and Equity Issues at Stake

By David Chance

PRESIDENT Boris Yeltsin's renewed health problems come just as the country is negotiating its entry into the Eurobond market and the sale to foreign investors of a stake in its largest company, Gazprom.

"It is unfortunate timing, but one often sees that in Russia," said Kingsmill Bond, Russia fund manager at MC Securities in London. "A lot of people who may wish to buy Gazprom are new investors and negative reports might cause nervousness."

Russian equity and bond markets fell sharply this week after reports that Mr. Yeltsin might not be fit enough to face the surgeon's knife for his heart operation for another two months.

Foreign investors say this raises the specter that the president may die or become permanently incapacitated. Russia could face the uncertainty of new elections after a three month period during which Prime Minister Viktor Chernomyrdin will hold the reins of power.

"If Yeltsin dies, once more investment in Russia will be on hold because a three month tenure by Chernomyrdin is not going to implement further fundamental change," Mr. Bond said.

During this period of flux, foreign investors are being asked to stump up $400 million to buy a 1 percent stake in Gazprom, the world's largest natural gas company.

Road shows for the global depositary receipt issue start Oct. 7, with subscription requests due by Oct. 18. Pricing and allocation of the issue will be Oct. 23.

"Although the books have not been started on Gazprom, so we do not have any true idea of the size of subscriptions, we are seeing a lot of interest from natural resource players as well as those already in Russia," a banker in the syndicate said.

Foreign investors say that if Mr. Yeltsin does die or become too ill to continue, the Russian share market could fall 20 percent, deflating one of the best-performing markets in the world this year.

However, if Mr. Chernomyrdin, 58, won an election, the outlook would look good for Gazprom, an organization he once headed and in which he retains a substantial shareholding.

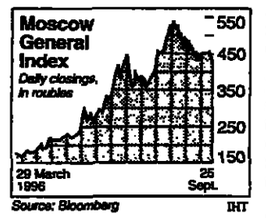
"Chernomyrdin is a man who has learned to appreciate the benefits of reform and it would clearly be a good time to invest in Gazprom," Mr. Bond said.

Investor sentiment toward Russian debt has also worsened this week. Dollar-denominated Vneshekonombank paper fell to as low as 64 percent of face value on Monday from an all-time high of 70 on Thursday, although it rebounded to 65 on Tuesday.

Russia is expected to attempt to raise $300 million to $500 million from its debut Eurobond issue in November, and analysts believe that it is looking for up to $1.3 billion next year.

The Eurobond could be more sensitive to Mr. Yeltsin's health problems than Gazprom, bankers said. *(Reuters)*

Yeltsin: Healthy concern.



■ Forget Derivatives

For investors in Russian financial markets looking for protection, derivative products won't provide much shelter — they hardly exist, Bloomberg Business News reported from London.

"The lack of a developed derivative market is one of the biggest problems encountered by many institutional investors in Russia," said Alex Muller, an Russian derivatives specialist at MC Securities in Geneva.

Stock and debt prices in Russia, which is often described as the nearest thing to the "Wild West" in global markets, have swung wildly this year, most recently due to the health of Mr. Yeltsin.

Since the beginning of September, the CS First Boston ROS index of the leading 21 Russian stocks has fallen by 12.45 percent. Still, the ROS index has risen by 87.83 percent since the beginning of the year.

Meanwhile, the prices on defaulted dollar-denominated Vneshekonombank loans have risen 7.11 percent this month. This year, Vnesh loans have surged 92.34 percent.

Investors looking for protection from such diverse and volatile trading conditions have little to chose from in the way of derivatives such as stock-index-linked options contracts, which are used to hedge against unexpected changes in the value of stocks.

"Basically, there is no such thing as a derivative markets in Russian equities," said Martin Taylor, a fund manager at Baring Asset Management.

In the Vnesheconombank loans market, some derivative products exist, mostly in the form of over-the-counter options. A so-called OTC option is a contract negotiated between an individual securities firm or bank and a specific client. Investors use OTC options to speculate on the Vnesh market and to hedge.

BRIEFCASE

GM Cutting Back Benefits To Its Gold Card Holders

General Motors Corp., joining what seems to be a trend in the credit card industry, is cutting back the benefits available to holders of its gold MasterCard.

GM executives said the cutback was being implemented because the costs of the benefits appear to outweigh the return to GM in marketing its cars and trucks. The GM card provides rebates in the form of discounts on GM vehicles.

"When we benchmarked the benefit of the gold card we found we were in an overly competitive position," said GM spokesman Dean Rotondo. "It was in excess of what was needed or being offered" by others.

GM joins General Electric Co. in tightening the rules on its cards. Earlier this month GE said it would begin imposing a $25 annual "account maintenance fee" on holders of its GE Rewards MasterCard who pay off their balances every month and do not incur interest charges. *(WP)*

Prague Bourse to Tighten Standards for Stocks

The Prague Stock Exchange, where more than 1,700 stocks trade, plans to eliminate hundreds of stocks from trading next year with the imposition of higher disclosure standards and capital requirements.

Currently, three categories of stocks trade in Prague, in the so-called main, secondary and free markets. The free market has no disclosure or capital requirements. The exchange's trading committee plans to eliminate that category, which has seen many of the secret takeovers and "strange trading patterns," the exchange said. *(Bloomberg)*

Brazil Curbing Activities Of Pension Fund Managers

The Brazilian government probably will not give pension fund managers more freedom to invest in shares of Brazilian companies, a government official said. Local pension funds have in the past few years been among the most aggressive investors in Brazilian stocks and state-owned companies being sold to the public.

"The government, for the time being, doesn't want this trend to continue," said Wilson Trezza, special projects director at the Social Security Ministry. The tendency of Brazil's National Monetary Council, he said, "is to maintain the current investment limits." *(Bloomberg)*

Early Birds Bid for Mexico Pensions

By Henry Tricks

WITH A ZEAL reminiscent of the rush to buy Mexican banks in the early 1990s, a stampede is on in the financial community to grab a slice of Mexico's soon-to-be-privatized national pension system.

From Europe, Chile and North America, suitors have flocked to Mexico City to seek partners in a business that is not yet off the drawing board, but is expected to be an eventual gold mine for those who obtain an early lead.

The obstacles are high. In the presidential palace, Ernesto Zedillo has yet to sign pension reform regulations that have been hammered out over recent months between government officials and private-sector experts.

Hanging on the go-ahead are multimillion-dollar deals struck between foreign banks, pension specialists and their Mexican counterparts.

With less than four months to go before the targeted launch date of Jan. 1, 1997 launch date, the government is unable to authorize any of the pension management companies, or Afores, until the regulations are ready.

Meanwhile, bankers are making business plans based on draft regulations and in doing so are being forced to break one of the golden rules of what is widely seen as an over-staffed banking system: hiring, rather than firing, staff.

The Afores are already shelling out cash to recruit thousands of sales and administrative staff. In the coming months, they will be trained in a business that for years has been in the hands of government accountants.

Adding to the cost, complex computer systems are being built to handle accounts for millions of Mexicans who entrust their nest eggs to the privately-run Afores.

"The time left for us is very short," said Juan Fernandez, head of a pension fund management company set up by Citibank, its Chilean pension-fund partner AFP Habitat, and the Mexican banking group Serfin. "Every day of the week will be important."

At a ceremony in mid-September to launch that fund, its owners made starkly clear the challenges ahead, though they also touted what they viewed as strong competitive advantages.

With about 100 working days left until the Afores are launched, they plan to hire and train 6,000 employees, or some 1,500 a month. The initial investment is planned for at least $70 million. At its launch, the Afore had not even been named.

On the other hand, Habitat has 15 years of experience running pension funds in Chile and is already a partner with Citibank in that South American market. Serfin, Mexico's third largest bank, has a nationwide branch network that will make capturing clients easier, executives said.

Other banking groups are just as tightly pressed. Spain's Banco Santander, which broke off an agreement to launch an Afore with Serfin in August, rushed to sign a letter of intent to set one up with Mexico's Grupo Financiero Inverlat just three weeks later.

On the plus side, Santander's Argentine pension subsidiary, Origenes AFJP, in September bought out its rival Activa-Anticipar in a deal that will make it the giant of that industry. That suggests it has the clout to make the business work in Mexico, Santander officials said.

With all the foreign experience available to its competitors, one Mexican banking giant already has a foothold that makes it the envy of the nascent industry.

Bancomer, owner of Mexico's second largest bank, currently holds some 35 percent of accounts in the government-run Retirement Savings System, and it hopes many workers will be more ready to keep their funds in the bank than shift them elsewhere.

But industry experts said some 17 Afores would seek approval to start business on Jan. 1.

Ernesto O'Farrill, an industry consultant, said Bancomer's fund would achieve a 13 percent market share next year, while a partnership of Mexico's largest bank Banamex and Dutch insurer Aegon should garner 10 percent.

"In a market like this which is starting from scratch, the natural tendency is to start with a large number" of players, he said. "Then they will need to be more competitive and that will shrink the numbers over time."

Reuters.

Fund Insurance: Who's Really Covered?

By Carole Gould

INVESTORS MIGHT be attracted by Fidelity Investments' plan to insure money-market funds because it would increase the safety of their investments. But money-fund insurance represents a much bigger opportunity for the fund companies, analysts say: It promises to limit their liability.

From an investor's point of view, "I think that money market insurance is really unnecessary," said Peter Crane, editor of the Rated Money Fund Report, a publication of IBC/Financial Data in Ashland, Massachusetts.

Burton Greenwald, a mutual fund consultant in Philadelphia, called the insurance plan "a marketing gimmick" with no "substantive value" to the investor.

Investors as a group have not shied away from uninsured funds. This year, they have already poured more than $100 billion into money market funds through August, outpacing last year's big gain of $144 billion.

Total assets in money funds, which many people use interchangeably with bank savings and checking accounts, reached $856.7 billion at the end of August, according to IBC, surpassing for the first time the $806.4 billion that the Investment Company Institute, the Washington trade group, counted in bond and income funds.

Money-market funds are usually the most stable type of mutual funds, investing mainly in short-term notes issued by corporations or the federal government.

Money-market accounts opened at banks make similar investments, but these accounts carry federal deposit insurance, covering deposits up to $100,000.

Like most mutual funds, money-market funds are not insured. So investors could lose some or all of their investment, although that has rarely happened.

Fidelity is proposing to form an insurance company that would be owned by the mutual funds it insures. Those funds are owned by their shareholders, not Fidelity.

The insurance would cover only $100 million of the $80 billion that Fidelity investors keep in its 23 money funds. Because the insurance premiums are deducted by the funds as an operating expense, Fidelity estimates that the premiums will cost shareholders 0.005 percent to 0.01 percent a year (or one-half to one basis point).

The insurance would cover only losses that occur when the issuer of a portfolio security defaults on its obligation. It would not compensate for losses resulting from shifts in interest rates, called market risk, or losses from fraud or similar operational risks.

Fidelity's plan is awaiting approval from the Securities and Exchange Commission.

Among other big fund companies, the Vanguard Group and Franklin Templeton are looking into adding insurance to money-market funds, but Capital Research and Management, which offers the American group of funds, has no such plan.

Given the small amount of coverage Fidelity is offering, "for safety, a Treasury fund would be a lot safer than an insured money market" under the proposal, Mr. Crane said.

Moreover, the investor's option of owning money-market funds that hold strictly U.S. Treasury securities, or government money funds that own Treasuries along with short-term issues of government agencies, limits what Fidelity or any other fund company can pay for credit insurance and still remain competitive.

After comparing average yields during the last two years, Mr. Crane found that regular money-market funds had a yield advantage of just 0.06 percent, on average, over government money funds. That, he said, appeared to leave little room for the cost of credit insurance.

Fidelity proposes premiums of less than 0.01 percent. But some industry experts question whether that is possible.

"We find that to be unrealistically low, and I doubt whether any fund group could insure that cheaply, even Fidelity," Mr. Crane said.

Treasury money funds are the safest available. Their yields have been 0.3 percent lower, on average, than those of regular money funds over the last two years. So it makes sense to consider that amount as the absolute ceiling for the cost of insurance.

So "insurance" in the form of government-guaranteed securities already costs investors from 0.3 percent for pure Treasury funds to 0.06 percent for government funds.

"There definitely will be talk of types of insurance going forward," Mr. Crane said. "But it's tough to see how it could be cost-effective, given that the spread between government and regular taxable money funds is so narrow."

When the Vanguard Group offered an insured money-market fund during the 1980s, it paid substantially more, roughly 0.25 percent, for the insurance it bought from the St. Paul Insurance Co., said Ian MacKinnon, senior vice president and head of fixed-income funds for Vanguard.

In 1989, Vanguard rolled the $154 million fund into its U.S. Treasury money-market fund.

"It was a prohibitively expensive deal for shareholders, given the minute risk of loss," Mr. MacKinnon said. "The investing public did not beat a path to our door."

The New York Times.

Consumers Rebel at ATM Charges

By Heidi Russell

THE FIGHT began over 50 cents. Pennsylvania consumers rebelled after two of the state's largest banks, PNC and Mellon Bank, levied extra fees on people who use their automated teller machines but who have accounts at other banks.

Now some state legislators have stepped in, joining their counterparts around the United States in trying to ban the surcharges, or at least require a warning for consumers before they complete an ATM transaction.

"This is blatant consumer exploitation," said state Senator Leonard Bodack. "It's an outrageous profit-padding money grab by institutions that are already enjoying record earnings."

The controversy started nationwide in April, after major ATM networks agreed to permit banks to levy the surcharges to recoup their investment in the machines and their operation.

The banking industry defends the fees, saying that consumers should not complain about paying for the convenience of having access their money 24 hours a day.

Among those hit hardest by the fees are customers at small banks and credit unions that cannot afford the ATM machines, which cost as much as $200,000. Customers of these institutions must get access to their accounts through other banks' cash machines, using the national ATM networks such as Plus and Cirrus.

Consumers were quick to balk at the new charges, which generally run between 50 cents to $2 a transaction, according to the Consumer Finance Project in Washington. The highest documented fee was $9.50 per transaction, levied on ATMs on Discovery Cruise Line ships.

American commercial banks generated profits of $48.8 billion in 1995, the fourth consecutive year of record bank earnings and a $4.2 billion increase over 1994, according to the Federal Deposit Insurance Corp.

The Associated Press

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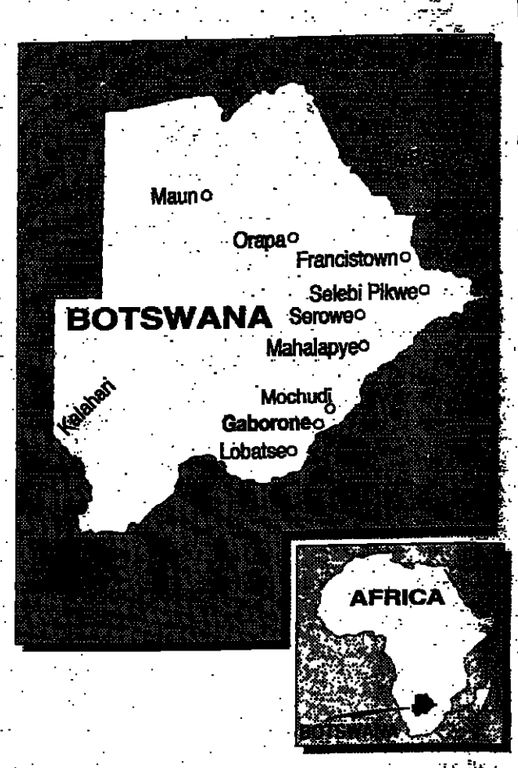
BOTSWANA: Celebrating 30 Years of Independence

GERARD BOUTINHOAQUI

A statue of Sir Seretse Khama, the country's first president, stands before the parliament building in Gaborone. Sir Khama's Botswana Democratic Party has been voted into office at each election for the past 30 years.



PEACE, UNITY AND PROSPERITY REIGN FOR THREE DECADES

Political stability, investment incentives and industry diversification stand Botswana in good stead. Diamond revenues provide a strong foundation.

In its 30th year since independence, Botswana remains one of the most peaceful countries in Africa. Democratic elections have been held regularly since independence, and the Botswana Democratic Party – the party of the country's first president, Sir Seretse Khama – has been voted into office each time.

Unlike most African countries, 95 percent of Botswana's people belong to one language group, the Batswana. They speak Tswana, but English is the official language of the country.

Botswana's per capita gross domestic product of $3,050 a year is one of the highest in Africa and is about 10 times higher than that of some of its neighbors. The government maintained a budget surplus for 10 years, until 1994.

With 1.5 million inhabitants, Botswana occupies an area of 588,000 square kilometers (227,028 square miles), making it one of the least densely populated countries in the world.

Real economic growth was about 10 percent a year during the 10 years up to 1992, and the country's foreign exchange reserves of about $4.4 billion are equal to 25 months of imports.

A country's best friend

The country owes its wealth to diamonds, which account for 78 percent of export earnings and about 50 percent of government revenues. Botswana is the world's largest producer of gem-quality diamonds, with production in 1995 of 16.8 million carats.

The government has used diamond revenues to build one of the best infrastructures on the continent, with some of the best state education and housing.

Economic growth faltered in 1993 largely because diamond production was reduced by 15 percent in response to poor demand on world markets. In that year, the economy contracted by 0.2 percent, but growth resumed in 1994 and reached 4.5 percent in 1995.

The setback in diamond sales accelerated the implementation of government plans to wean the economy away from dependence on this single commodity.

Strength in diversity

The share of mining declined from 46.8 percent of GDP in 1986 to 32.6 percent in 1985. Trade, transport, hotels, financial services and construction have been the biggest beneficiaries of the shift.

Agriculture's contribution to the GDP has fallen from 40 percent at the time of independence to 5 percent, largely because of the diamond-industry growth. Livestock accounts for 80 percent of agriculture's share, and beef exports more than cover the cost of the country's food imports.

Beef exports fell during the drought of 1993-95 but have since staged a recovery. Some 65 percent of beef exports go to the European Union, but agreements under the new World Trade Organization agreement are likely to reduce this figure.

Value-added spur

These added restrictions may, however, act as an incentive for the local industry to develop value-added beef and leather products that would be more easily admitted to the European Union.

The main thrust of diversification is to attract investment in manufacturing, which is seen as the best creator of new jobs for Botswana's burgeoning population.

Attractive incentives for investors and the slashing of red tape have brought significant investment in industries such as textile manufacture and automobile assembly. Most are geared to export markets.

Added momentum

Despite these successes, job creation is in a race against time. With about 20 percent of its people unemployed, Botswana has been described by some as a jobless economy, largely because of the capital-intensive nature of mining. Each year, the ranks of the jobless are swelled by thousands of high-school graduates who have little hope of finding permanent employment.

Pressure on the government to loosen its purse strings is becoming difficult to resist. So far, the state has yielded by allowing some growth in the public sector.

Further growth of diamond production could give the country a second chance to establish self-sustaining employment growth. Debswana Diamond Company, the country's diamond producer, announced plans in August to increase its output by more than a third, or 6 million carats, annually by 2000.

This puts a new complexion on projections of export earnings and government revenues that serve as a base for economic planning. If used correctly, the extended diamond bonanza should provide added momentum to the economic diversification that has already begun. •

'AN ENABLING ENVIRONMENT FOR BUSINESS'

The state rewards companies that create jobs.

Industrialists in Botswana have the best of all worlds. They can export duty free to fellow members of the five-nation Southern African Customs Union, to which South Africa also belongs. They get preferential tariffs in Europe under the Lomé Convention and have various quota-free preferential pacts with North America. Company tax is only 25 percent, and foreign investors are free to repatriate their profits.

Moreover, the government actually pays businesses to create jobs. Under the Financial Assistance Policy (FAP), foreign-owned companies receive 1,000 pula ($292) a year for each unskilled worker they employ; Botswana-owned companies receive $438.

To encourage industrial decentralization, total payments of these allowances to companies in urban areas are restricted to 40 percent of the value of their fixed investment, and in rural areas up to 85 percent of their fixed investment. The state also pays half the costs of training unskilled employees.

Joint ventures

These provisions reveal two objectives of Botswana's industrial policy: to create jobs and to involve its own people in business ventures. It is thus not surprising that many joint ventures have been set up between foreign investors and locals.

FAP help is available for job-creating undertakings involved in import replacement or export promotion in manufacturing, small-scale mining, minerals processing, agribusiness, tourism and so-called linking services.

Investors establishing new businesses – as well as those expanding existing businesses – can qualify for FAP assistance. "The FAP was designed primarily to create employment through diversification away from mining," says Monty Letshwiti, a spokesman for the Department of Trade and Investments Promotion (TIPA).

Diversification is being implemented with great success in the copper and nickel mining town of Selebi Pikwe in eastern Botswana. The town has all the infrastructure that a manufacturer needs and is on the rail routes to South Africa, Zimbabwe and other countries to the north.

Secondary industries, such as textiles, are being developed as part of the plan to diversify the economy.

"We are encouraging secondary industries, such as textiles, to establish themselves in Selebi Pikwe to ensure that employment in this area grows even after the mines have been worked out," says Mr. Letshwiti. "In the last five months, three textile factories have closed, but 11 new ones have opened.

"All are aimed primarily at export markets either in Southern Africa or Europe and North America. The investors are either Asian or South African. Some are in joint ventures with the government's Botswana Development Corporation, and some have come in as sole shareholders."

Willing workers

Investors in Selebi Pikwe can rent factory premises from the government at concessional rates, and they will have no trouble finding willing workers. Water and electricity charges are low, and suitable housing for factory management is also available at low cost.

"The government and the local authorities are doing all they can to create an enabling environment for business," says Mr. Letshwiti. •

BOTSWANA

TOURISM: A RICH RESOURCE TO DEVELOP

TOURISM could become the biggest contributor to Botswana's GDP after mining, according to the Director of Tourism. Presently tourism accounts for only 3% of the GDP, a figure far lower than the international average. Botswana's main tourist attraction is the Okavango Delta - an area of 16,000 square kilometers of marsh, river, open grasslands and riverine forests of palms - that is home to the pride of Africa's wild game. Other tourist attractions include the scenically stunning Makgadikgadi Pan and the Chobe National Park.

In many places great herds of large wildlife - such as elephant, lion, giraffe, zebra, buffalo and gemsbok - can be seen in their natural habitat. The diversity of animal, bird, insect and plant life - that is rarely found elsewhere in the world - is to be seen in the national parks of Botswana. The government has designated a number of conservation areas in the Okavango Delta. It will grant long-term leases for the management of these areas to private operators who submit plans embodying the best combination of conservation and commercial exploitation.

DEPARTMENT OF TOURISM
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Information may also be obtained from Botswana Diplomatic Missions and Honorary Consuls abroad.

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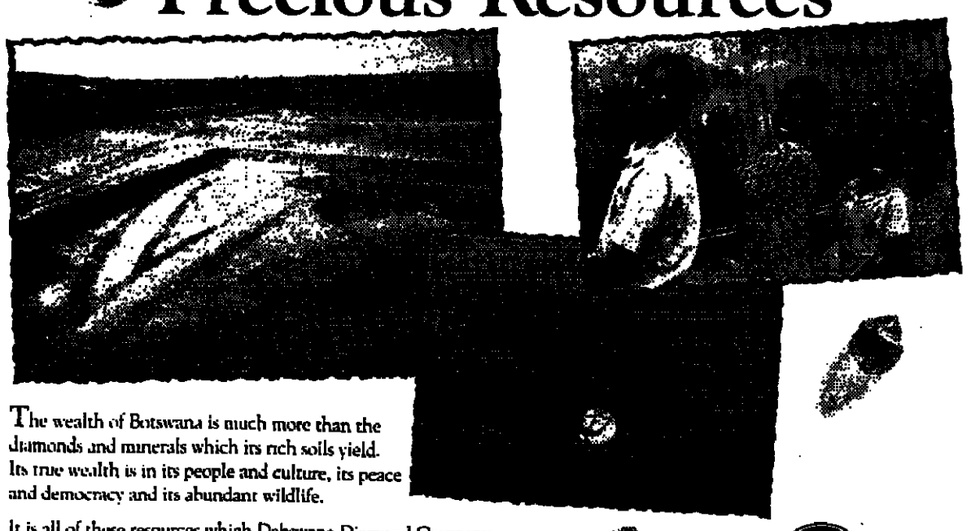

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BOTSWANA: Celebrating 30 Years of Independence

Mining Remains a Mainstay Of the Country's Economy

Diamonds are the best-known, but by no means the only, commodity.

Mining is the mainstay of Botswana's economy, and diamonds dominate this industry. Exports of the Debswana Diamond Company, a 50-50 joint venture owned by De Beers Centenary and the government of Botswana, account for 78 percent of the country's exports. In 1994, the company's exports totaled $1.4 billion, equivalent to nearly $1,400 per head of population.

Debswana is the biggest producer of gem-quality diamonds in the world and is the largest private employer in Botswana, with almost 6,000 workers, 90 percent of whom are Batswana.

Debswana operates three mines: Orapa, Lethlakane and Jwaneng. The company was established in 1969 when De Beers geologists discovered diamonds at the site of the present Orapa mine in 1967, after a 12-year search.

Debswana's production is marketed through the Central Selling Organisation in London.

Orapa is one of the lowest-cost major diamond producers in the world. Its life span will outlast the current lease, which expires in 2017.

Job training

Debswana will spend more than $370 million to more than double Orapa's output by 2000. This increase of 6 million carats a year will raise the company's total output by more than a third, to about 23 million carats a year.

It will be the largest single mining project ever undertaken in the country and will create up to 2,000 jobs during construction. Thereafter, it will provide up to 300 permanent jobs at the mine.

Debswana owns the Botswana Diamond Valuing Company, which sorted 15.9 million carats of diamonds in 1995. The company takes pains to train as many locals as possible in this skilled work: 95 percent of its 518 employees, who are included in the total number employed by Debswana, are Batswana. It also provides training for supervisors, managers and accountants.

Another subsidiary of Debswana is Teemane Manufacturing Company, a diamond-cutting and -polishing operation. Last year, it processed and sold 247,795 stones, representing 10,208 carats. According to Debswana's annual report for 1995, better training and improved production methods led to an 8 percent improvement in efficiency, which enabled the company to expand its client base in Europe and the Far East in spite of a softening market.

This company also pursues a policy of training Batswana to take skilled, supervisory and management positions.

Sparkle and shine

Diamond mining employs fewer than half of the 13,000 mining industry workers, but its earnings exceed this level by far.

Copper and nickel together account for 8 percent of the country's exports, making them the second-biggest export earner. These commodities are mined by the company BCL, which is a joint venture owned in equal parts by the government and the Anglo American Corporation of South Africa.

Since its establishment in 1974, the operation has struggled with technical problems, high interest rates, foreign currency losses and less-than-attractive commodity prices. The outlook, however, is improving.

The future of coal

Soda ash accounts for 2 percent of exports and is the country's fourth-largest exporter. (Beef is third and accounts for 4 percent of exports.)

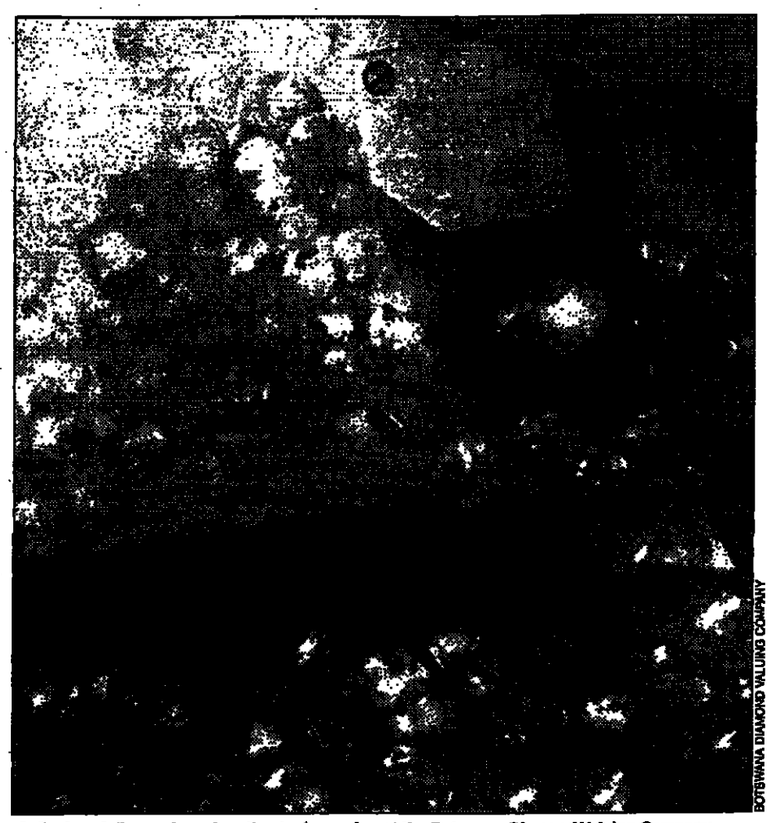
Soda ash and salt are produced by Botswana Ash. The state holds 50 percent of the shares in this company; 42 percent are held by Anglo American, De Beers, and a South African chemicals company, AECI. The remaining 8 percent is held by a consortium of banks.

Torrential rains in the rainy season of 1995-96, after one of the worst droughts in the region's history, resulted in damage to equipment and containing walls at Botswana Ash production facilities at Sua Pan, halting production for 11 weeks.

Botswana Ash employs 547 people, of whom 454 are Batswana.

Botswana has one coal mine, operated by the Anglo American Corporation, that has 12 billion tons of easily exploitable coal reserves. This is more than enough to meet the country's power and industrial needs.

Plans are under way to mine coal for export as soon as transport links to the coast have been established in neighboring countries. •



BOTSWANA DIAMOND VALUING COMPANY

A display of diamonds and sorting tools on view at the Botswana Diamond Valuing Company.

Autos Are Fast Assembled – And Exported

Ten years ago, the idea of setting up an automobile assembly plant in Botswana would have struck most industrialists as bizarre.

The country was prosperous by African standards, but its largely rural population of a little more than one million was served easily off the crumbs of the established automobile industry in neighboring South Africa. And the idea of competing with the South Africans on their own ground would have seemed foolhardy.

How things have changed.

By 1998, automobiles assembled in Botswana are expected to account for some 10 percent of the passenger car market in South Africa. They will come *from a $52 million assembly plant now under construction* in Gaborone, which will build the Korean Hyundai passenger cars. The plant will employ about 1,000 Batswana and have a minimum production capacity of 30,000 passenger cars a year. Almost all will be sold in South Africa.

These figures are no pipe dream. Hyundai is already selling about half that number of vehicles in South Africa, but its sales are subject to a quota under the regulations of the Southern African Customs Union that apply to its present assembly facilities in Botswana.

"The business climate here is friendly, and the government is pragmatic," says Les Watson, projects manager of Hyundai Motor Distributors, which operates the plant. "There are no foreign exchange restrictions on us, and we are benefiting from a tax holiday." Mr. Watson adds that "there has been a stable political environment since independence 30 years ago, *and we have a stable and dependable work force* that is not as prone to strikes as those of South Africa. There is very little crime."

Trucks made by Swedish companies Volvo and Scania and Russian company Kamaz are also being assembled in Botswana.

Mr. Watson expects the automobile assemblers of Botswana to be joined soon by car-component manufacturers. •

Balancing Development and The Environment

Controlled growth means facilities are better for tourists – as well as for the game-park animals that people have come to see.

The Okavango Delta is one of the wonders of Africa. It is the world's largest delta and acts as a giant sponge that provides sustenance to a rich profusion of African game in an otherwise arid region.

Its remoteness and inaccessibility have preserved its pristine condition by protecting it from human interference, and the Botswana government wishes to keep it that way. The government is consequently allowing only limited development of this tourism paradise.

Protecting paradise

Twenty-one concession areas that have been identified at Okavango are being allocated to private investors who submit the most acceptable plans for tourist facilities. An important requirement is that the facilities be low density to avoid overcrowding.

Tenders were advertised in the international media. Some 14 concessions have already been allocated, and short-lists of tenderers for the remaining seven have been drawn up.

Game parks galore

Okavango is well known to the world's rich and famous, but few are aware that Botswana has other, much bigger game parks that rival its appeal. These are largely undeveloped.

"To take the pressure off Okavango, we are developing the Chobe National Park, Central Kalahari Game Reserve, Khutse Game Reserve and Makgadigkadi Game Reserve," says Mtetoh Gasceitsiwe, senior tourism officer in the Ministry of Tourism.

He adds: "We realize the importance of exploiting this resource but are determined not to spoil it with overuse."

Extended leases

The government is therefore proceeding cautiously in allocating concessions. Opportunities for investors are available at present, and more can be expected to arise in future.

One sweetener for investors is that leases in certain concession areas have been extended from one year to 15 years, with the option to renew for further periods of five years.

This will justify bigger capital expenditure and better facilities. Investors in tourism also benefit from the government's Financial Assistance Policy [see related article]. •

HUTCHINSON/GAMMA

HUTCHINSON/GAMMA

The Okavango Delta, the world's largest delta, is being developed for tourism, albeit in a limited and controlled fashion. Its remoteness has preserved it, and the state would like to keep it that way.

BOTSWANA MEAT COMMISSION

PRIVATE BAG 4, LOBATSE
TEL: (267) 33-0321
FAX: (267) 33-0530

Botswana Meat Commission (BMC) was established by the government in 1966, to co-ordinate the production of beef from a national herd of some 2 to 3 million which is grazed on natural grasslands covering 35% of the country's 580,000 square kilometres. BMC is the sole exporter of lean Botswana beef which features prominently in markets throughout the world - particularly the European Union - and which has achieved an excellent reputation for quality.

The Headquarters of BMC are in Lobatse, 75 km south of the capital Gaborone. The facilities in Lobatse have been designed and constructed as a complete and integrated complex of abattoir, canning, tanning and by-products plant to handle a throughput of 800 cattle and 500 small stock per day. Branch abattoirs are operated in the north-west of the country in Maun, with a capacity of 120 cattle per day, and in the north-east of the country in Francistown, with a capacity of 400 cattle and 150 small stock per day.

The Commission owns marketing subsidiaries in the United Kingdom, Germany, Holland and Greece, an Insurance company in the Cayman Islands, Cold Storage facilities in the United Kingdom and South Africa and transport and property companies in Botswana.

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WORLD ROUNDUP

Sergio Perez/Reuters

Gianni Bugno of Italy, crossing the finish line on Friday.

Bugno Wins Stage

CYCLING Gianni Bugno of Italy sprinted to victory in the final seven kilometers of Friday's 20th stage as Alex Zulle of Switzerland held his overall lead going into the Tour of Spain's final two days.

Zulle's compatriot and teammate, Laurent Dufaux, finished even with Zulle at eight seconds behind Bugno to remain in second place, 4:22 behind. The defending champion, Laurent Jalabert of France, who slipped from second to 20th place on Thursday, slipped another minute to fall 26:10 behind in the 3,915-kilometer (2,427-mile) race, known as the Vuelta.

Dimitri Konyshev of Russia was the first to break away from the pack on a descent from the mountains northwest of Madrid early in the 209-kilometer stage from the Castilian city of Avila to Palazuelos del Eresma, near Segovia. Saturday's second-to-last stage is an individual time trial of 43 kilometers between Segovia and Palazuelos de Eresma. *(AP)*

Soccer Cup Pairings Set

SOCCER Red Star Belgrade drew Barcelona in the most interesting second-round pairing of the Cup Winners' Cup draw, held Friday in Geneva. The two former European champions will meet in home and away legs on Oct. 17 and Oct. 31.

In another featured matchup, Galatasaray of Turkey was paired against defending champion Paris-Saint Germain.

In the UEFA Cup draw, Valencia of Spain will again take center stage. The Spaniards drew one of the remaining powers, last year's semifinalist Slavia Prague.

Except for that game, the 16 UEFA Cup matchups set for Oct. 15 and Oct. 29 are a hodge-podge. Four German teams, plus three clubs each from Spain, Portugal and Italy are still in the running, with no outright favorites in the field of 32. *(AP)*

Graf Lawyers Fight Back

TENNIS Lawyers for tennis star Steffi Graf's father on Friday told a German court trying him for tax evasion that he had dodged at most 5 million Deutsche marks ($3.3 million), not the 19 million DM prosecutors allege. Peter Graf is accused, along with a family advisor, of funneling abroad 42 million DM of his daughter's earnings from 1989 to 1993. *(Reuters)*

Sampras Easy Victor

Kafelnikov Also Gains Swiss Semis

Compiled by Our Staff From Dispatches

BASEL — Playing in his first tournament since winning the U.S. Open early this month, top-seed Pete Sampras coasted through his quarterfinal match Friday with a rapid 6-3, 6-4 victory over Sweden's Mikael Tillstrom in the Swiss Indoor championship.

In contrast, third-seeded Yevgeni Kafelnikov, winner of the French Open, labored through three sets to defeat Marc Goellner of Germany, 5-7, 6-4, 6-2.

In his earlier-round matches, Sampras had shown signs of rust from his two-week lay-off. But in his quarterfinal match, the American appeared to be regaining his form, easily breaking Tillstrom to jump ahead 4-2 on his way to taking the first set.

In the second set, the world's No. 1 player wasted no time in breaking the Swede's second serve and went about methodically wrapping up the match in one hour and two minutes.

Kafelnikov has labored through each round of the tournament, with three three-set matches.

Once again the big-hitting Russian got off to a shaky start, dropping the first set.

Kafelnikov, ranked No. 5 in the world, dug himself into a deeper hole in the second set, dropping his first two serves before staging a stunning comeback.

Trailing Goellner 4-1, he fought back, winning the next five games to even the sets at one each.

He then completed the comeback by breaking the German twice more in the third set.

"I felt like I was already gone," said Kafelnikov of his position after dropping his first two service games of the second set. "I was shocked when I won the second set — Marc had been serving unbelievably well and then he suddenly started rushing himself. I noticed that, so I tried to slow it down and concentrate. Basically, he was dominating, but suddenly things turned all the way around."

Kafelnikov said he was surprised to find himself in the semis of the million-dollar event.

"I'm not feeling all that confident at the moment — I'm still missing some parts of my game," he said. "I'm not playing well, but I've won three matches here, which is the best possible way to get back into shape."

The two Grand Slam champions, Sampras and Kafelnikov, will meet in Saturday's semifinal.

In other quarterfinal play, Germany's Hendrik Dreekmann, down 5-0 in the first set, came back to defeat Petr Korda of the Czech Republic, 7-6 (8-0), 6-4.

In the semifinal, Dreekmann will face Jiri Novak of the Czech Republic, who beat the French qualifier Olivier Delaitre, 4-6, 7-5, 6-2, on Friday.

Novak, who upset German ace Boris Becker on Thursday night, was a rival of Dreekmann's in the junior ranks. *(AP, AFP)*

■ U.S. Counts on Seles in Fed Cup

Trump cards can come in handy in Atlantic City, New Jersey, so the U.S. Fed Cup team, eager to avoid folding against Spain for the third straight year in the final of this international event, made sure it brought one along to the boardwalk this weekend in the form of Monica Seles, Robin Finn of The New York Times reported.

"Spain was always a notch above us before, but with Monica we've added on a whole different configuration," said Billie Jean King, in her second and final year as the U.S. captain. "She's major for us to win, and the best thing is, she's turned out to be a great team player."

The top-ranked Seles took the oath to become a U.S. citizen in the summer of 1994, and from the moment she made her dramatic re-entry to tennis 14 months ago in an exhibition at Atlantic City's ocean-side Convention Center, Seles vowed to represent her new country in the Olympics and in the Fed Cup.

Since a surprised Seles stumbled away from Atlanta without a medal and completed the year's four-stop Grand Slam calendar with just a single title, at the Australian Open, this Fed Cup finale holds enhanced importance. Also, she will probably undergo shoulder surgery next month, so the Fed Cup could be her final event of the 1996 season.

No wonder Arantxa Sanchez Vicario, one half of the powerful Spanish team that will attempt to defend its title in the two-day, five-match meeting between the world's two best women's teams, seemed glum even before she had lost any quarters to the slot machines owned by Caesars, the event's local host.

"It's a lot of good for the American team; I mean, Seles is the No. 1 player in the world, so it makes the team from the U.S.A. even stronger," said Sanchez Vicario, who was trounced by Seles in straight sets in Tokyo last Sunday and is now 1-12 against her.

Erwin Zbinden/Reuters

Hendrik Dreekmann of Germany lunging for a shot Friday against Petr Korda en route to a quarterfinal victory.

Hill Goes Low-Profile

Briton Joins TWR Arrows Prix Team

The Associated Press

LONDON — Damon Hill of Britain, one point away from winning his first world championship, joined the little-known TWR Arrows team Friday in a surprise move.

Hill has been looking for a team for next season after being dropped by the Williams-Renault team.

While Hill, 36, had recently been linked with possible moves to Jordan or Jackie Stewart's new team, he announced at a news conference that he was joining Arrows on a one-year contract. Terms were not disclosed.

The move marked a major comedown for Hill, leaving the strongest team in Formula One for one of the weakest.

In 19 years in Formula One competition, Arrows has never won a Grand Prix race. Arrows, whose cars were registered as Footwork Hart, has scored just one point this season in 15 Grand Prix races, leaving the team ninth in the constructors' championship.

Hill has won seven races this year and twice finished second for Williams, which has clinched the constructors' title with 165 points.

Hill's end at Williams came earlier this month when the team's owner, Frank Williams, announced that Heinz-Harald Frentzen, 29, a German, would replace Hill next season.

Hill was reported to be seeking a pay increase, from about $9.3 million this year to about $14 million.

Arrows' drivers this season have been Jos Verstappen and Ricardo Rosset, neither of whom were confirmed for next season.

Hill said the key to his move was Tom Walkinshaw, who bought the team this year and incorporated it into the TWR Group.

"Everything this man does and everything he touches becomes a winner," Hill said. "Together we will be worth watching."

Hill confirmed that he had received offers from Stewart and other teams. Walkinshaw said he began negotiations with Hill after the Italian Grand Prix on Sept. 8. The deal was completed after Hill visited the team's racing headquarters near Oxford, England.

"Considering the other options available to him, by joining TWR Damon obviously recognizes the enormous potential of our team," Walkinshaw said.

"The team's goal is to be Formula One world champions in the shortest possible time. Damon's recruitment brings the day when we achieve the goal considerably closer."

The team has no engine contract for next season, but there was speculation that a deal with Yamaha will be announced soon. The team's second driver is expected to be announced before the final Grand Prix in Japan on Oct. 13.

Hill has 87 points to 78 for his Williams teammate, Jacques Villeneuve of Canada. Hill would clinch the driver's title in Japan if he finished at least sixth and scored just one point.

If he tied with Villeneuve in points, Hill would be awarded the title for winning races this season. Villeneuve has won four.

Hill had a chance to clinch the title last Sunday at the Portuguese Grand Prix, but was second to Villeneuve.

Winning Isn't Everything (Money Is)

International Herald Tribune

European Soccer / ROB HUGHES

LONDON — When big clubs drop in Europe quicker than leaves in the fall, scapegoats are sought more or less immediately.

This week, Bayern Munich and Parma, the summer's high spenders in Germany and Italy, were eliminated in round one of the UEFA Cup. Their losses raise not only sporting eyebrows but serious matters of commerce.

In Munich, the heat is on Jurgen Klinsmann, Germany's captain, the scoring phenomenon of 1996. The odds on him seeing out the year with Bayern recede faster than his blond hairline.

At Parma, which recruited players worth $30 million during the summer, the new coach, Carlo Ancelotti, is under scrutiny. His team had better stay atop Serie A, or the sponsor, which happens also to be the owner, Parmalat, will cut him from the payroll.

The equation is brutally obvious. Bayern Munich and Parma are advertising billboards in the golden triangle of soccer-sponsor-TV. Disappear from the competition, fall off the screens, and the message stops going out.

Clubs on this level are huge drinkers of cash from myriad sources. But for simplicity's sake, let us consider solely the company whose brand name appears on the players' chests. For Munich, that is Opel. For Parma, obviously, Parmalat.

Opel's advertising budget has helped drive Bayern since 1989, and currently pays $3.75 million per year — say two years of Klinsmann's salary — for the privilege of sharing that shirt with Adidas's logo. Parmalat cut its sponsorship milk teeth in its own dairy yard, raising Parma from Serie B. The club president, Calisto Tanzi, is the company's boss. But Parmalat spreads its favors and its trademark to 10 teams, from Latin America to Portugal to Albania to Hungary.

The company will not abandon its own team, but did recently relieve the nice Nevio Scala of his coaching responsibility. He had to go: Parmalat wants to be associated with winners, not bridesmaids to Milan or Juventus.

Everyone thought Fabio Capello would replace Scala. He spoke with Parma, but went to Real Madrid, a faded aristocrat now speculating millions on turning insolvency into European riches. So Ancelotti got Parma's hot seat.

WINNING is cyclical, and soccer is a team effort, but financiers brook no excuses. They know the symbols of success or failure — the scorers.

Parma paid Sampdoria $15 million for Enrico Chiesa. In the UEFA Cup first leg against Vitoria Guimaraes, he scored two marvelous goals, one with each foot. In the second game in Portugal, Chiesa didn't score, Parma went down, and since Italian club presidents choose the players, the finger points at Coach Ancelotti.

In Munich, the president, Franz Beckenbauer, has done it all — player, captain, coach. He sits with other ghosts of the past — Vice President Karl-Heinz Rummenigge and General Manager Uli Hoeness. They handle fortunes from German industries that will not let the team fail.

Thus, when Bayern faltered toward mere second place in the Bundesliga last spring, Beckenbauer removed Coach Otto Rehhagel (a pay-off costing $1.8 million in compensation), ran the team himself, won the UEFA Cup, then rehired Giovanni Trapattoni for a second attempt at coaching Munich.

Trapattoni bought Ruggiero Rizzitelli, a partner at last for the lone striking star Klinsmann. It isn't working yet. Klinsmann's 15 goals in 12 games fired Bayern to win last season's UEFA Cup; his nine goals in 10 qualifying games shot Germany to the Euro 96 finals; but he has an enemy within the camp.

Klinsmann and Lothar Matthaus, whom he supplanted as national captain, bicker. Matthaus, much injured as he ages, has the ear of Beckenbauer, whose German team he led to 1990 World Cup triumph, and Trapattoni, whose Inter Milan team he also led.

"Klinsi" had his goals. But he has been relatively speechless of late — scoring twice in seven Bundesliga matches, but not scoring — indeed missing a penalty kick — in the failed European mission. German mediais on Klinsmann's back, suggesting he will be back in England, where he was respected.

"I have no reason to stick my head in the sand," Klinsmann said Friday. "I don't see myself in a down phase. It is an attempt by some people to suggest I'm having a crisis. There is no crisis, I just need a few goals." Quickly.

Rob Hughes is on the staff of The Times of London.

Dangerous Vikings Likely to Roll On

By Timothy W. Smith
New York Times Service

Minnesota (4-0) at New York Giants (1-3) The Giants finally got a victory last week, beating the hapless Jets. But they face a Vikings team that will exploit every weakness. Minnesota's defense gets excellent pressure up the middle from tackle John Randle. The Vikings offense, led by quarterback Warren Moon, is dangerous. *Prediction: Minnesota, 28-13.*

Carolina (3-0) at Jacksonville (1-3) In this first meeting between the two expansion teams from last season, the Panthers are ahead of the Jaguars. The Panthers are giving up just 87 yards rushing a game, so the air will be the way to go. In that battle, Jaguar quarterback Mark Brunell is supreme. *Prediction: Jacksonville, 25-23.*

Detroit (2-2) at Tampa Bay (0-4) These two teams met just two weeks ago and the Lions won. Not much has changed for either one since then. The Lions are still on an up and down cycle and the Bucs are just on the down cycle. The Lions have the big threat in Barry Sanders. *Prediction: Detroit, 30-14.*

Houston (2-1) at Pittsburgh (2-1) If the Oilers have designs on winning the AFC Central division, they'll have to go through Pittsburgh. Despite injuries to key defensive people, the Steelers haven't crumbled yet. Running back Jerome Bettis is seeking his third straight 100-yard game, and the Oilers will have to slow him. *Prediction: Pittsburgh 27-17.*

New Orleans (0-4) at Baltimore (1-2) The Saints can't hold onto the football and they can't make their opponents cough it up. The Ravens were without a dominant running back, until they signed Bam Morris this week. But he won't be done serving his suspension for substance-abuse until Oct. 13. *Prediction: Baltimore, 25-10.*

Oakland (1-3) at Chicago (1-3) Bears quarterback Erik Kramer will miss this game with a neck injury. Veteran David Krieg gets the start. This is the type of situation that Oakland's defensive front can take advantage of. Krieg probably can't get around them to exploit the Raiders' weak secondary. *Prediction: Oakland, 20-17.*

Denver (3-1) at Cincinnati (1-2) The Chiefs put a stop to John Elway's streak of 15 straight games with a touchdown pass last week. He's got a great chance of getting another one started against the Bengals.

NFL MATCHUPS

Opponents have found it easier to go across the ground against Cincinnati's defense. The Broncos have the No. 1 rushing offense in the league. *Prediction: Denver 22-16.*

Atlanta (0-3) at San Francisco (2-1) Falcons quarterback Jeff George has been suspended for this game for arguing with Coach June Jones on the sidelines of last week's game against the Eagles. Niners quarterback Steve Young is out with a pulled groin, and Elvis Grbac will start. The Niners' pride is bruised after a loss to Carolina last week. *Prediction: San Francisco, 31-17.*

Green Bay (3-1) at Seattle (1-3) The Packers are in the middle of three straight road games. They lost at Minnesota last week, so going to Seattle is a test. Rick Mirer rallied the Seahawks last week to beat Tampa Bay. *Prediction: Green Bay, 33-19.*

Kansas City (4-0) at San Diego (3-1) The Chiefs have won 10 of the last 12 games between the two teams and they're romping through the AFC West. The Chiefs defense will get a test from the resilient Stan Humphries. The Chargers are plus-7 in takeaway-giveaway and their defense will make it tough for the Chiefs to get rolling. *Prediction: San Diego, 21-20.*

St. Louis (1-2) at Arizona (1-3) Arizona found a great spark last week with Le Shon Johnson rushing for 214 yards. Quarterback Kent Graham will get his second start. For the Rams, QB Steve Walsh has been benched. The Rams will be starting an all rookie backfield of quarterback Tony Banks, running back Lawrence Phillips and fullback Derrick Harris. *Prediction: Arizona, 20-11.*

New York Jets (0-4) at Washington (3-1) Washington has won three in a row and seems to have gotten a rhythm going with quarterback Gus Frerotte. Terry Allen will make it tough on the Jets defensive front. He leads the NFC in rushing with 418 yards and the league with five rushing TDs. *Prediction: Washington, 31-10.*

Dallas (1-3) at Philadelphia (3-1) The Cowboys have beaten the Eagles in four of the last five games. There could be a script change. Dallas is short on quality receivers with Kevin Williams out with an injured foot. The Eagles' Rodney Peete is running the NFC's No. 3 passing offense. *Prediction: Philadelphia, 27-24.*

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SPORTS

Orioles Near Playoffs

Victory Lifts Bid as Mariners Fade

By Mark Maske
Washington Post Service

TORONTO — The Baltimore Orioles took a significant step toward securing the American League's wild-card berth, getting home runs from Brady Anderson and Cal Ripken and riding the pitching handiwork of Rocky Coppinger to a 4-1 victory over the Toronto Blue Jays.

The Orioles could clinch their first playoff spot since their World Series-winning season of 1983 on Friday. They have three regular-season games remaining, all of them in Toronto, and they lead the Seattle Mariners — who lost on Thursday in Oakland — by 2½ games. Any combination of Orioles' victories and Mariners' losses totaling two would mean the Orioles would host the Cleveland Indians on Tuesday in Game 1 of a best-of-five-game, first-round playoff series.

"I know what the magic number is, but I don't get too excited about it," manager Davey Johnson said after Thursday's victory. "When there's a few outs to go, then I'll get excited. You never take anything for granted."

Said Ripken, who along with Eddie Murray was part of the Orioles' World Series triumph in '83: "I'm in a situation now where I think I'd enjoy it a whole lot more. It happened for me so fast. We won the World Series in my second year. I think I took it for granted, like it was going to happen every year. Now I'm able to understand how special it is. I saw it in a strange way last year, throwing out the first pitch for Game 1 of the World Series in Atlanta. I walked out to the mound and said, 'I don't want to be here doing this. I want to be playing.' "

Anderson led off Thursday with a homer, and Ripken provided a three-run shot in the fourth inning off the Toronto starter Woody Williams. Coppinger took care of most of the rest. The rookie right-hander limited the Blue Jays to five hits and one run over 8⅓ innings.

He was two outs away from his first major-league complete game and the Orioles' second shutout of the year when Jacob Brumfield got a single, took second base on the obscure call of "defensive indifference" (instead of a stolen base) and scored when Shawn Green pulled a base hit into right field and Mike Devereaux bobbled the ball for an error.

In other American League games, The Associated Press reported:

Red Sox 5, Yankees 3 Boston rocked Jimmy Key for four runs in the first inning and defeated visiting New York, but was still eliminated from playoff contention when Baltimore beat Toronto.

The Yankees clinched the AL East title Wednesday, so they rested many of their regulars.

Athletics 7, Mariners 5 In Oakland, California, Seattle's playoff hopes were damaged when the A's rallied to win with four runs in the eighth inning.

After scoring three runs in the top of the eighth to take a 5-3 lead, the Mariners gave the lead right back.

Rangers 6, Angels 5 In Arlington, Texas, the Rangers took advantage of shoddy California fielding to clinch at least a tie for a playoff spot.

Texas can win its first division title by winning any of its final three games or if second-place Seattle loses any of its four remaining games. The Rangers have a 3½-game lead in the AL West over the Mariners.

In the National League:

Reds 12, Cubs 4 Hal Morris pushed his hitting streak to 26 games and Willie Greene hit his fifth homer in three days to lead the Reds over visiting Chicago.

Astros 6, Mets 2 In Houston, Derek Bell's seventh-inning single drove in two runs as the Astros triumphed in what was probably pitcher Doug Drabek's last game with the team.

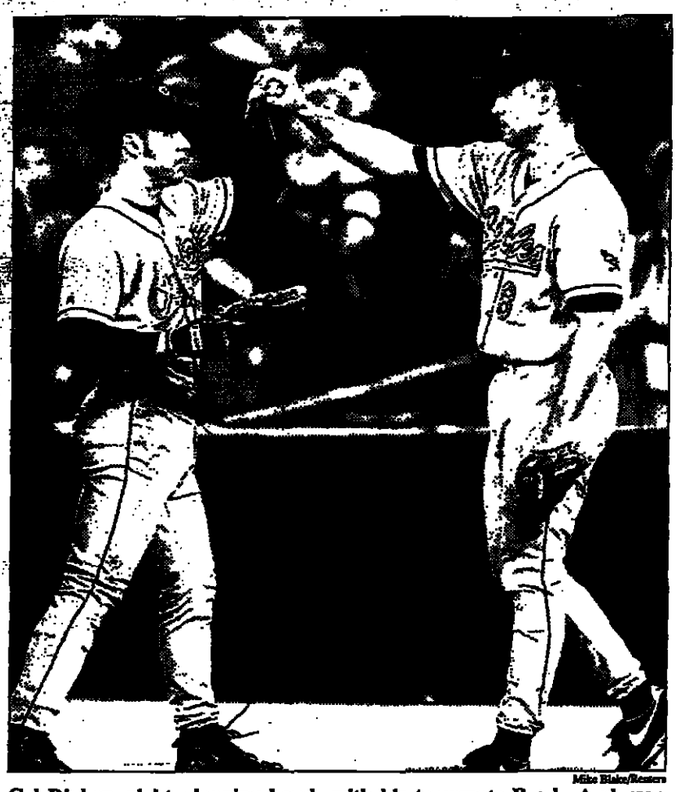
Drabek allowed two runs on seven hits in seven innings. The Astros, who paid him $5.05 million this year, are not expected to re-sign him.

Marlins 7, Braves 1 Andre Dawson went 3-for-4 and drove in a run as Florida stopped visiting Atlanta and won its sixth straight.

Al Leiter pitched a six-hitter, striking out eight and walking three in his first complete game since his no-hitter against Colorado on May 11.

Expos 5, Phillies 2 Henry Rodriguez hit a grand slam as Montreal lifted its playoff hopes in Philadelphia. Rodriguez, who had been stuck on 99 RBIs since Sept. 17, homered off Curt Schilling (9-10) to reach the 100-RBI mark for the first time in his career. The Expos moved within one game of the idle San Diego Padres in the race for the NL wild card.

Giants 6, Dodgers 1 Mark Gardner pitched a seven-hitter and rookies Bill Mueller and Wilson Delgado each had two hits and an RBI as San Francisco avoided a three-game sweep with a victory in Los Angeles. The loss cut the Dodgers' lead to two games over second-place San Diego in the NL West race. Los Angeles needs just one victory over the Padres in its home, season-ending, three-game series to clinch its second consecutive NL West title.



Mike Blake/Reuters

Cal Ripken, right, slapping hands with his teammate Brady Anderson after the Orioles' victory in Toronto enhanced Baltimore's wild-card bid.

From a Loyal Non-Fan, Praise for These Yankees

By George Vecsey
New York Times Service

NEW YORK — This is a hard column to write. My friends from the old neighborhood are going to disown me. All my journalistic principles are going out the window. My father is going to reach out from the great beyond and swat me one.

I like the Yankees. And what's more, I detect there are a great many other New Yorkers who, if they do not actively like these Yankees, find it hard to detest them, which is still saying a lot, given the ancient antipathies of our town.

I like the Yankees. Never typed those words before. This is not some conflict-of-interest reporter fawning over the Yankees. I can still do my job, go in the clubhouse, ask the hard questions. Rather, this is a healthy, detached profession of enjoyment and respect.

The Yankees are a team that somebody who grew up in Queens, with his soul in Brooklyn, could like. The Yankees are a team that old New York Giants fans could like. The Yankees are a team that New York Mets fans could like.

This is the first Yankees team to win a full division title since 1980, and that is surely part of this groundswell of enthusiasm I detect. As bad as the Jets and Giants and Mets are, the Yankees have given New York a happy September.

But it is not enough to say the Yankees have satisfied the New York, New York, craving to be top of the heap. It is the human way they play.

The 1981 Yankees won a split-season title during a strike year and then collapsed in the World Series. The 1995 Yankees won a wild-card berth and then lost the memorable five-game series to Seattle in which Don Mattingly and Edgar Martinez and Randy Johnson and David Cone taught New Yorkers to love baseball again after the plague-on-both-your-houses strike.

But this year is different. This is heresy to say, but even without good old Don Mattingly, these Yankees have had the most soul, the most character, of any New York baseball team since the 1986 Mets, the team that was going to win half a dozen World Series before it grew old, and never reached another one.

I like the Yankees. This is so hard to admit. When I was growing up, my household disliked just about all the Yankees. Joe DiMaggio was cold. Mickey Mantle was surly. That annoying Billy Martin kept catching Jackie Robinson's pop-up, year after year. Generally, the Yankees swaggered and strutted their way through the '40s and '50s and halfway into the '60s.

This Yankee team is different. But these guys can play, too. Let's start with Derek Jeter. He's all of 21, and he moves with the quiet authority of old-fashioned Yankees, but without the arrogance. While the Yankees were making their move, it was quite obvious that he wanted the ball and he wanted to bat.

Then there is Bernie Williams, the center fielder with the long graceful strides, the bursts of power. And there is Andy Pettitte, the sophomore pitcher, who defers to all the other starting pitchers, who takes a line drive off the knee and mutters a few angry phrases and never misses an inning.

Cone, Doc Gooden and Darryl Strawberry bring the glitter and the arrogance of those old Mets. Tim Raines is a burst of energy and Wade Boggs is an old master and Paul O'Neill cares very, very much and Mariano Rivera is a cold-eyed assassin as a setup relief pitcher and Joe Girardi bounces around purposefully.

I know for a fact there are Yankee fans who still miss Mattingly and Buck Showalter. There are intelligent humans who cannot separate the Yankees from their blithering owner. There are Yankee fans who cannot tolerate Gooden and Strawberry.

I understand. But these Yankees are fun to watch, and I must admit it, I like these Yankees. Something bad's going to happen to me.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
x-New York	91	68	.572	—
Baltimore	87	72	.547	4
Boston	83	76	.522	8
Toronto	72	87	.453	19
Detroit	53	106	.333	38
CENTRAL DIVISION				
x-Cleveland	98	60	.620	—
Chicago	84	75	.528	14½
Milwaukee	77	82	.484	21½
Minnesota	76	83	.478	22½
Kansas City	73	85	.462	25
WEST DIVISION				
Texas	88	71	.553	—
Seattle	84	74	.532	3½
Oakland	76	83	.478	12
California	69	89	.437	18½

(x-clinched division title)

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
x-Atlanta	94	65	.591	—
Montreal	87	72	.547	7
Florida	79	80	.497	15
New York	70	89	.440	24
Philadelphia	65	94	.409	29
CENTRAL DIVISION				
x-St. Louis	86	73	.541	—
Cincinnati	80	79	.503	6
Houston	80	79	.503	6
Chicago	75	83	.475	10½
Pittsburgh	70	88	.443	15½
WEST DIVISION				
Los Angeles	90	69	.566	—
San Diego	88	71	.553	2
Colorado	82	77	.516	8
San Francisco	66	93	.415	24

(x-clinched division title)

THURSDAY'S LINE SCORES

AMERICAN LEAGUE

Seattle 010 100 030—5 12 1
Oakland 000 171 04x—7 9 0
Moyer, Ayala (6), M. Jackson (8), Charlton (8), Cormona (8) and D.Wilson; Wengert, Corsi (7), Mohler (8), Taylor (9) and Steinbach. W—Taylor, 6-3. L—Charlton, 4-7. HRs—Seattle, Griffey Jr. (49), Whiten (11). Oakland, Steinbach (34).

New York 000 011 100—3 10 1
Boston 400 010 00x—5 8 1
Key, Weathers (7), Lloyd (7), Wetteland (8) and Posada; M.Maddux, Eshelman (7), Brandenburg (8), Slocumb (9) and Haselman. W—M. Maddux, 9-8. L—Key, 12-11. Sv—Slocumb (30). HRs—New York, Duncan (8).

Baltimore 100 300 000—4 8 1
Toronto 000 000 001—1 5 0
Coppinger, Orosco (9), Benitez (9) and Holies; W.Williams and O'Brien. W—Coppinger, 10-6. L—W. Williams, 4-5. Sv—Benitez (4). HRs—Baltimore, By.Anderson (40), C. Ripken (26).

California 021 000 110—5 8 3
Texas 004 101 00x—6 8 0
J.Abbott and Fabregas; Burkett, Vosberg (8), Stanton (9), Henneman (9) and L. Rodriguez. W—Burkett, 5-2. L—J. Abbott, 2-18. Sv—Henneman (31). HRs—California, Hudler (16), G. Anderson (12).

NATIONAL LEAGUE

Chicago 000 200 200—4 6 2
Cincinnati 232 002 21x—12 9 2
Swartzbaugh, Bullinger (3), Myers (5), Telemaco (7) and Houston, Hubbard (8); Jarvis, P.A.Martinez (8), Sullivan (9) and Taubensee. W—Jarvis. 8-9. L—Swartzbaugh, 0-2. HRs—Cincinnati, Branson (9), W.Greene (18). E. Davis (26).

New York 100 001 000—2 9 2
Houston 000 110 22x—6 9 0
P.Wilson, Tritcek (6), DiPoto (7), D. Henry (9) and A. Castillo, Hundley (6); Drabek, Te.Jones (8), W. Wagner (9) and Eusebio. W—Drabek, 7-9. L—Tritcek, 0-1.

Atlanta 000 000 010—1 6 1
Florida 100 420 00x—7 11 0
Neagle, Lemon (5), Hartgraves (7), Wohlers (8), J. Lopez, Aynaut (6); A.Leiter and C. Johnson. W—A. Leiter, 16-12. L—Neagle, 16-9. HRs—Flor., Conine (26).

Montreal 000 005 000—5 6 0
Philadelphia 011 000 000—2 8 0
Dool, D. Veres (6), Urbina (8), Rojas (9) and D. Fletcher; Schilling, Borland (8) and Bennett. W—Dool, 4-5. L—Schilling, 9-10. Sv—Rojas (35). HRs—Montreal, H. Rodriguez (36).

San Francisco 003 110 010—6 11 1
Los Angeles 000 010 000—1 7 1
Gardner and R. Wilkins; Candiotti, Park (6), Brusko (9) and Piazza. W—Gardner, 12-7. L—Candiotti, 9-11. HR—San Francisco, G.Hill (19).

AMERICAN LEAGUE

	G	AB	R	H	Avg.
ARodriguez Sea	143	591	141	213	.360
FThomas ChW	139	520	110	181	.348
Knoblauch Min	150	566	137	192	.339
Molitor Min	158	645	96	217	.336
Greer Tex	137	534	96	178	.333
Nilsson Mil	121	447	81	149	.333
EMartinez Sea	137	490	121	163	.333
RAlomar Bal	151	582	131	192	.330

RUNS—ARodriguez, Seattle, 141; Knoblauch, Minnesota, 137; Lofton, Cleveland, 131; RAlomar, Baltimore, 131; Griffey Jr, Seattle, 125; Thome, Cleveland, 121; Belle, Cleveland EMartinez Seattle 121.

RBI—Belle, Cleveland, 146; MVaughn, Boston, 143; JGonzalez, Texas, 143; RPalmeiro, Baltimore, 142; Griffey Jr, Seattle, 139; Buhner, Seattle, 138; FThomas, Chicago, 132.

HITS—Molitor, Minnesota, 217; ARodriguez, Seattle, 213; Lofton, Cleveland, 207; MVaughn, Boston, 204; IRodriguez, Texas, 192; Knoblauch, Minnesota, 192; RAlomar, Baltimore, 192.

DOUBLES—ARodriguez, Seattle, 54; EMartinez, Seattle, 52; IRodriguez, Texas, 47; Cordova, Minnesota, 45; MRamirez, Cleveland, 44; RAlomar, Baltimore, 43; Cirillo, Milwaukee, 42.

TRIPLES—Knoblauch, Minnesota, 13; Vina, Milwaukee, 10; Offerman, K. City, 8; DaMartinez, Chicago, & Guillen, Chicago, & Molitor, Minn., & Mendez, Minnesota, 7; JaValentin, Minn., 7; Carter, Toronto, 7.

HOME RUNS—McGwire, Oakland, 52; Griffey Jr, Seattle, 49; ByAnderson, Baltimore, 48; JGonzalez, Texas, 47; Belle, Cleveland, 47; MVaughn, Boston, 44; Bonilla, Seattle, 44.

STOLEN BASES—Lofton, Cleveland, 75; TGoodwin, Kansas City, 65; Nixon, Toronto, 54; Knoblauch, Minnesota, 44; Vizquel, Cleveland, 35; Durham, Chicago, 30; McLemore, Texas, 27.

PITCHING (10 Decisions)—Nagy, Cleveland, 17-5, .773, 3.41; Pettitte, New York, 21-8, .724, 3.90; DOlivar, Texas, 13-6, .684, 4.78; Hentgen, Toronto, 19-10, .655, 3.27; Pavlik, Texas, 15-8, .652, 5.28; Hershiser, Cleveland, 15-8, .652, 4.12; Mussina, Baltimore, 19-11, .633, 4.93.

STRIKEOUTS—Clemens, Boston, 247; Finley, California, 210; Appier, Kansas City, 207; Mussina, Baltimore, 195; AFernandez, Chicago, 194; Alvarez, Chicago, 180; Hentgen, Toronto, 173.

SAVES—Wetteland, New York, 42; Mesa, Cleveland, 38; RHernandez, Chicago, 37; Percival, California, 36; Fetters, Milwaukee, 31; Henneman, Texas, 31; RMyers, Baltimore, 31.

NATIONAL LEAGUE

	G	AB	R	H	Avg.
Piazza LA	145	535	87	182	.340
Burks Col	153	605	138	206	.340
LJohnson NYM	157	649	116	225	.336
Grace ChC	138	533	87	177	.332
EYoung Col	139	562	113	182	.324
Caminiti SD	143	535	105	172	.321
Bagwell Hou	159	599	110	177	.317
Gilkey NYM	153	571	108	181	.317
Sheffield Fla	158	514	118	162	.315
Bichette Col	156	621	111	195	.314

RUNS—Burks, Colorado, 138; Finley, San Diego, 123; Bonds, San Francisco, 120; Sheffield, Florida, 118; LJohnson, New York, 116; Larkin, Cincinnati, 115; Galarraga, Colorado, 115.

RBI—Galarraga, Colorado, 145; Bichette, Colorado, 138; Caminiti, San Diego, 128; Burks, Colorado, 127; Bonds, San Francisco, 127; Sheffield, Florida, 120; Bagwell, Houston, 119.

HITS—LJohnson, New York, 225; Burks, Colorado, 206; Grissom, Atlanta, 204; Grudzielanek, Montreal, 200; Bichette, Colorado, 195; Finley, San Diego, 191; Martin, Pittsburgh, 189.

DOUBLES—Bagwell, Houston, 47; Finley, San Diego, 45; Gilkey, N.Y., 44; Burks, Colorado, 44; HRodriguez, Montreal, 42; Lansing, Mont., 40; Martin, Pittsburgh, 40.

TRIPLES—LJohnson, New York, 21; Howard, Cin., 10; Grissom, Atlanta, 10; Finley, S.Diego, 9; Lankford, St. Louis, 8; DeShields, LAngeles, & Burks, Colorado, 8.

HOME RUNS—Galarraga, Colorado, 46; Sheffield, Florida, 42; Bonds, San Francisco, 42; Hundley, New York, 41; Sosa, Chicago, 40; Castilla, Colorado, 39; Caminiti, San Diego, 39; Burks, Colorado, 29.

STOLEN BASES—EYoung, Colorado, 53; LJohnson, New York, 50; DeShields, Los Angeles, 46; Bonds, San Francisco, 39; Martin, Pittsburgh, 38; McRae, Chicago, 37; Larkin, Cincinnati, 36.

PITCHING (10 Decisions)—Smoltz, Atlanta, 23-8, .742, 3.08; RMartinez, Los Angeles, 15-6, .714, 3.46; IValdes, Los Angeles, 15-7, .682, 3.35; AnBenes, St. Louis, 18-10, .643, 3.76; Neagle, Atlanta, 16-9, .640, 3.50; Gardner, San Francisco, 12-7, .632, 4.42; Hamilton, San Diego, 15-9, .625, 4.17.

STRIKEOUTS—Smoltz, Atlanta, 272; Nomo, Los Angeles, 227; PJMartinez, Montreal, 222; Fassero, Montreal, 220; Kile, Houston, 212; Reynolds, Houston, 201; ALeiter, Florida, 200.

SAVES—TdWorrell, Los Angeles, 44; JBrantley, Cincinnati, 43; Hoffman, San Diego, 39; Wohlers, Atlanta, 38; Rojas, Montreal, 35; Nen, Florida, 34; Beck, San Francisco, 34.

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct	GB
Yomiuri	72	52	0	.581	—
Hiroshima	69	54	0	.561	2½
Chunichi	67	55	0	.549	4
Yakult	61	65	0	.484	12
Hanshin	52	73	0	.416	20½
Yokohama	51	73	0	.411	21

FRIDAY'S RESULT

No games scheduled

PACIFIC LEAGUE

	W	L	T	Pct	GB
x-Orix	77	48	6	.592	—
Nippon Ham	67	56	4	.543	6
Kintetsu	59	62	1	.488	13
Seibu	59	63	4	.484	13½
Lotte	55	64	3	.463	16
Daiei	54	72	2	.430	20½

x-won league title

FRIDAY'S RESULT

Kintetsu 4, Daiei 3

SOCCER

EUROPEAN CUP WINNERS' CUP

FIRST ROUND

SECOND LEG

Galatasaray 4, Constructorul Chisinau 0
(Galatasaray won 5-0 on aggregate)
Sparta Prague 1, Sturm Graz 1
(Aggregate score 3-3. Sparta Prague won on away goals rule)
Brann 4, Cercle Brugge 0
(Brann won on 6-3 on aggregate)
PSV Eindhoven 3, Dynamo Batumi 0
(PSV won 4-1 on aggregate)
Fiorentina 1, Gloria Bistrita 0
(Fiorentina win 2-1 on aggregate)
Kispest Honved 1 Nimes 2
(Nimes won 5-2 on aggregate)
AEK Larnaca 0, Barcelona 0
(Barcelona win 2-0 on aggregate)
Paris Saint-Germain 3, Vaduz 0
(PSG won 7-0 on aggregate)
Liverpool 3, MyPa-47 1
(Liverpool won 4-1 on aggregate)
Red Star Belgrade 4, Kaiserslautern 0
(Red Star won 4-1 on aggregate)
Olimpija Ljubljana 0, Aarhus 0
(Aga. 1-1. Olim. won on away goals rule)
AIK Solna 1, Reykjavik 1
(AIK won 2-1 on aggregate)

WORLD CUP QUALIFYING

GROUP TEN

Sri Lanka 3, Philippines 0

DUTCH FIRST DIVISION

RKC Waalwijk 0, Vitesse Arnhem 1
STANDINGS: Standings Feyenoord Rotterdam 19; PSV Eindhoven 16; Twente Enschede 14; Roda JC Kerkrade 13; Vitesse Arnhem 12; Heerenveen 11, Groningen 10; Fortuna Sittard 8; AZ Alkmaar 7, RKC Waalwijk 7; Utrecht 6; Sparta Rotterdam 5, Volendam 5; Willem II Tilburg 4; Groningen 3.

MAJOR LEAGUE SOCCER

San Jose 1, Los Angeles 0

HOCKEY

NHL PRESEASON

THURSDAY'S RESULTS

Detroit 5, New Jersey 3
Tampa Bay 3, Ottawa 1
Philadelphia 3, Florida 2
Montreal 6, Toronto 4
N.Y. Islanders 1, N.Y. Rangers 1,
Calgary 3, Vancouver 2
Phoenix 3, Los Angeles 2
Colorado 0, San Jose 0,

CYCLING

TOUR OF SPAIN

Leading placings in the 200 km (120-mile) stage between Avila and Palenzuela de Ereszma: 1, Gianni Bugno, Italy, MG-Technogym, 5 hours, 14 minutes, three seconds; 2, Tony Rominger, Switzerland, Mapei-GB, 7 seconds behind; 3, Massimo Apollonio, Italy, Scrigno-Blue Storm, 8; 4, Kai Hundertmark, Germany, Telekom, same time; 5, Laurent Dufaux, Switzerland, Lotus, s.t.; 6, Alex Zulle, Switzerland, ONCE, s.t.; 7, Bobby Julich, United States, Motorola, s.t.; 8, Davide Rebellin, Italy, Polti, s.t.; 9, Stefano Faustino, Italy, Aki-Gipiemme, 11.

Overall Standings: 1, Zulle, 92 hours, 44 minutes, 29 seconds; 2, Dufaux, 4:22 behind; 3, Roberto Pisoni, Italy, MG-Technogym, 7:13; 4, Georg Totschnig, Austria, Polti, 8:37; 5, Rominger, 8:42; 6, Faustini, 9:12; 7, Rebellin, 9:42; 8, Andrea Peron, Italy, Motorola, 12:28; 9, Julich, 12:47; 10, Jose Maria Jimenez, Spain, Banesto, 15:23.

TENNIS

SWISS INDOOR TOURNAMENT

QUARTERFINALS

Hendrik Dreekmann, Germany, def. Petr Korda, Czech Republic, 7-6 (8-6), 6-4.
Yevgeny Kafelnikov (3), Russia, def. Marc Goellner, Germany, 5-7, 6-4, 6-2.

BASKETBALL

EUROLEAGUE CHAMPIONSHIP

THURSDAY'S LATE RESULTS

Maccabi Tel Aviv 77, CSKA Moscow 78
Alba Berlin 78, Estudiantes Madrid 79
Charleroi 73, Cibona Zagreb 77
Croatia Split 73, Asvel Villeurbanne 61
Pau-Orthez 85, Sevilla 79
Limoges 74, Stefanel Milan 85
Olympiakos 96 Bologna 80
Ulker Spor 87, Chipita Parionios 69
Partizan Belgrade 76, Efes Pilsen 72
Dynamo Moscow 64, Virtus Bologna 78

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

TEXAS—Signed LHP Kelichi Kojima.

NATIONAL LEAGUE

HOUSTON —Promoted Tim Purpura to assistant general manager.

IHT Puts Baseball Stats on the Internet
All the box scores and the 1996 schedule on the IHT web site:
http://www.iht.com/IHT/SPORTS/bbl.html

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DENNIS THE MENACE

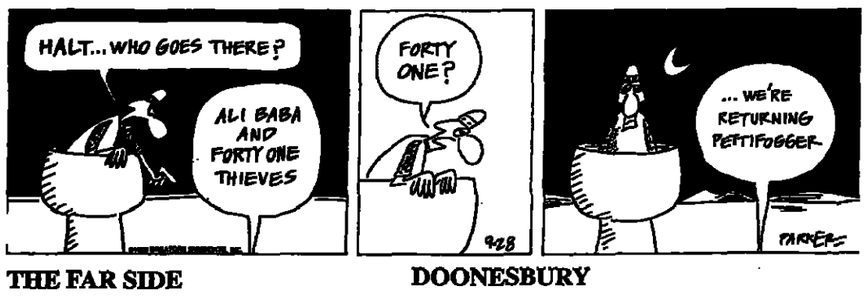
"THAT'S MY DAD...WE GO WAY BACK."

PEANUTS

CALVIN AND HOBBES

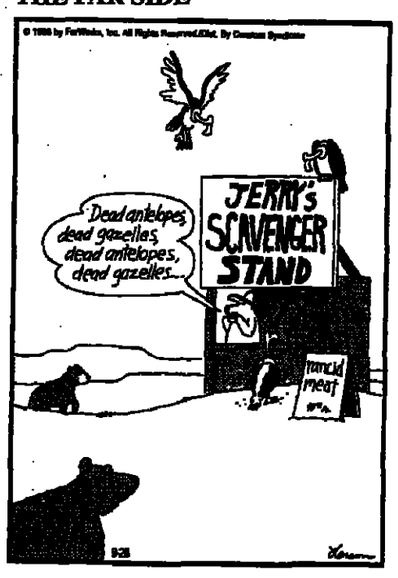
GARFIELD

WIZARD of ID



BEETLE BAILEY

THE FAR SIDE



DOONESBURY

BLONDIE

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

LAWRD
APANG
REBARL
DILPIM

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: A

(Answers Monday)

Yesterday's Jumbles: THICK LINGO PLURAL GRATIS
Answer: Making sausage the old-fashioned way gave him the— A LINK TO THE PAST

DAVE BARRY

Harley Guys and Other Jerks

MIAMI — Recently, when I was having a hamburger at an outdoor restaurant, two guys started up their Harley-Davidson motorcycles, parked maybe 25 feet from me. Naturally, being Harley guys, these were rebels — lone wolves, guys who *do it Their Way*, guys who do not follow the crowd. You could tell because they were wearing the same jeans, jackets, boots, bandannas, sunglasses, belt buckles, tattoos and (presumably) underwear worn by roughly 28 million other lone-wolf Harley guys.

And of course, once they got their engines started, they had to spend the equivalent of two college semesters just sitting there, revving their engines. I believe many Harley guys spend more time revving their engines than actually driving anywhere.

Perhaps you, too, have experienced an assault of Harley-revving; and perhaps you have asked yourself: Why do these people DO this? As it happens, there IS a reason, and it is an excellent one: They're jerks.

□

And let me also say, while I'm at it, that I'm sick of you people who park in spaces reserved for the handicapped, even though you are not, personally, handicapped. You know who you are. Many of you even have those little rear-view-mirror handicapped signs, which you got from a friend or relative, or which you once needed because of some temporary medical condition that has long since been cleared up.

One of my hobbies is to watch when cars pull into handicapped parking spots, and see who gets out. Very often, in my experience, these people appear to be totally unhandicapped: No wheelchair; no crutches; not even a trace of a limp. Their only handicap is: they're jerks.

What we need in this country — I would pay extra income tax for this — is an elite corps of Handicapped Parker On-Site Medical Examination SWAT Teams. These teams would prowl the streets, wearing rubber gloves and armed with X-ray machines, CT scanners, scalpels, drills, saws and harpoon-sized hypodermic needles.

When a team spotted a handicapped-zone parker who could not immediately prove that he or she was handicapped, that person would immediately undergo a severely thorough on-the-street physical examination conducted by burly personnel who have attended medical school for a maximum of four hours including lunch ("Hey, Norm! Which ones are the kidneys again?"): also, if the SWAT team found a Harley guy revving his engine in a handicapped-parking zone, it would employ the 250-foot intestinal probe nicknamed "Big Bertha." The idea would be that if you weren't qualified to park in a handicapped zone BEFORE the physical examination, you definitely would be AFTER.

□

And let's talk about you people who always send your food back in restaurants. (I KNOW this has nothing to do with handicapped parking; I can't stop myself.) I mean, sure, if the food is truly BAD, if it has RODENTS running around on it, O.K., send it back; but what about you people who ALWAYS send your food back, thereby turning EVERY SINGLE MEAL into an exercise in consumer whining? I'm sorry! You're jerks! Especially if, when the bill comes, you also ALWAYS insist — even if everybody ordered basically the same thing — on figuring out your EXACT share ("Well I had the Diet Sprite, which is 10 cents less than the iced tea . . ."); and then you decide that a 5 percent tip is adequate, thereby forcing your friends, who are embarrassed, to put in more money.

Listen carefully to what I am about to tell you. Put your ear right down to the page: YOUR FRIENDS HATE IT WHEN YOU STIFF THE WAITER. IF THE SERVICE IS O.K., YOU SHOULD TIP 15 PERCENT. IF YOU DON'T WANT TO TIP, THEN DON'T EAT AT RESTAURANTS.

Also, you should never, ever, no matter what, butt in front of people waiting in line without asking their permission.

Also, if, when you talk to people, they keep backing away from you, it's because you're TOO CLOSE, all right? SO DON'T KEEP ADVANCING ON THEM LIKE A HUMAN GLACIER.

Thank you, and I apologize for using so many capital letters. I can be a real jerk about that.

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Where 'Voltaire' Was Larger Than 'God'

By Anne Swardson
Washington Post Service

FERNEY-VOLTAIRE, France — When Francois-Marie Arouet de Voltaire strolled around the grounds of his beloved chateau here two centuries ago, perhaps mulling a few lines of "Candide" or thinking of his next letter to Catherine the Great, he was almost surely inspired by his brilliant gardens, his neoclassical mansion and its sweeping view of the Jura mountains.

Sadly, the place has not looked so grand since those days, and few people have been allowed to share the view. The chateau, sold not long after Voltaire's death in 1778, has remained in private hands over the years and today it is on the market again. The mansion and gardens have fallen into disrepair, and are rarely open to the public.

The town of Ferney-Voltaire, which the great writer and philosopher endowed and enlarged, is trying to buy it. But it is not clear that the money can be raised, or that the deal will go through.

Even if the town near the Swiss border can swing the purchase, renovation and upkeep of the chateau will cost even more. Some help from outside will be forthcoming — an American group of Voltaire fans is beginning a fund-raising campaign this fall — but the asking price for the chateau alone is nearly $5 million.

The idea is to create a physical memorial to Voltaire, whose belief in the free market of ideas landed him in the Bastille twice but made him one of the intellectual fathers of the American Revolution.

"His ideas of tolerance and liberty, of fighting against injustice, did a lot for him in the United States," said Lucien Choudin, a retired dental surgeon and Voltaire scholar in Ferney. "Especially in the period of the founding of the United States, his ideas had a lot of force."

France honors Voltaire among its great men of letters, with a tomb and statue in the Pantheon, statues around Paris and a bust at the Comedie Francaise. But it was not until just before his death in Paris at the age of 84 that Voltaire received his full due from his homeland. Before that, he was in frequent trouble with the authorities, who disliked his anti-clerical, anti-monarchical views.

He never married; his two principal romantic liaisons were with the married Emilie du Chatelet, until she died giving birth to another man's child, and with his niece, the widowed Madame Denis, with whom he lived the last 20 years of his life at Ferney.

Ferney was Voltaire's only real home. Earlier, when he was not in exile in England for challenging an aristocrat to a duel, living at the court of Frederick the Great of Prussia, or traveling (he was rarely welcome in Paris), he lived at the country home of *Madame du Chatelet. It was not until after she died* that Voltaire bought his own place, just a few miles from the border, so, it is said, he could slip over to Switzerland if things got hot in France.

Lucien Choudin for The Washington Post
Voltaire's chateau is heading for the auction block.

"It is where he chose to live over all other places. He was a real seigneur of the village," said Ferney Mayor Georges Vianes, an architect of the purchase plan. "The modern Ferney reflects Voltaire."

The town center is virtually unchanged from Voltaire's day. Watchmakers from Geneva, just a few miles away, lived along the narrow streets. The population of Ferney grew during Voltaire's time from 135 to more than 700. The town now has about 7,000 inhabitants and modern outskirts.

"Candide" was published while Voltaire was at Ferney, as was the "Philosophical Dictionary," and *while here he took on several celebrated civil-liberties cases in France.*

Voltaire died in 1778 in Paris, where he had spent a triumphal four months of return from exile to see his last play produced. Madame Denis, his heir, quickly sold the estate. In 1858, it was bought by Claude-Marie David, whose two great-granddaughters, both in their 80s, own it today.

One sister lives in Canada and is very ill. The other, Claude Poulain Lambert, 80, remembers that when she was a schoolgirl at Ferney, "when we talked about Voltaire, it was always very exciting to know where we lived."

During World War II, she said, the family moved to Geneva for safety but her father stayed at Ferney to try to dissuade any invading Germans from plundering the chateau. Over the years, the family has donated two statues of Voltaire to the town. One stands in the middle of the main street; on market days, Voltaire looks down on the citizens whose ancestors he fed and educated, while they do their shopping.

"It causes us great pain not to have the house any longer, but life changes," Lambert said in an interview at her son's home, just down the street from the chateau. "Life has become more difficult and it's too heavy a burden."

The Christie's auction firm has been retained to make the sale. The town has been given first option, but the sides disagree on the price. The town believes the chateau is worth about $2.5 million, which it has raised from municipal and regional government coffers, but that is barely half the asking price.

Lambert hopes a compromise can be reached but is not sure her relatives in Canada understand the depressed nature of the market for chateaux in France. The town wants the chateau badly, not just for tourism but to establish a cultural center and perhaps a shelter for persecuted writers.

"Freedom of expression is still subject to question in some places in the world," said George W. Gowen, a New York lawyer who is board chairman of the Voltaire Society of America. "Voltaire's message is alive and speaking to us today."

It is hard to know what Voltaire would have made of all this fuss. A lifelong critic and skeptic, and an anti-establishmentarian especially when it came to Christianity, the man who wrote that "life is a point between two eternities" might be surprised to see the importance attached to preserving his ideas after death.

On the other hand, he surely would have been flattered to see the crowd that flocked here one recent day, when the estate was open for a rare viewing.

The grass was immowed, the rooms had cobwebs in the corners and the shutters were closed, but Voltaire's presence — and his ego — still shone through. Over the door of the chapel that he built remains the Latin inscription: Deo erexit Voltaire ("Built by Voltaire for God.") The letters forming "Voltaire" are far larger than those spelling out "God."

Billy Ryan/Reuters
Paula Yates with Michael Hutchence and their baby.

PEOPLE

IT wasn't the Honey Fitz after all. After marrying on the sly, **John F. Kennedy Jr.** and his bride, **Carolyn Bessette-Kennedy**, jetted off to Turkey, where they spent the first few days of their honeymoon, a U.S. tabloid reports. The Kennedys stayed at a luxury hotel in Istanbul and toured bazaars and mosques, according to the Globe, which found the couple and plans to run 15 pictures of them in next week's edition. The Kennedys were married in a ceremony in Georgia on Saturday and then disappeared. "The first we saw of John was Tuesday morning sitting on a chaise longue by the pool," Globe editor **Tony Frost** told the New York Post. "He was reading a newspaper, admiring the wedding picture on the front page and chuckling at reports that he and Carolyn were on a yacht off the East Coast of the U.S." Frost said he instructed his reporter and two photographers to follow the couple, but not to disturb them as they enjoyed their honeymoon. The two have since left Istanbul. Frost said he knows where they went, but he isn't saying.

□

Bob Geldof is battling for custody of his three children after police allegedly found opium at his former wife's home, British newspapers report. Geldof, organizer of Live Aid concerts in 1985, appeared at the London High Court on Thursday to seek custody of his daughters, ages 13, 6 and 4, The Times said. He declined to speak with reporters. Geldof divorced the television personality **Paula Yates** in June, two years after she began a relationship with **Michael Hutchence**, the lead singer of the Australian rock group INXS. Police raided the London house Yates shares with Hutchence on Wednesday and said they found opium in a children's candy box. In a statement, Yates and Hutchence, who were in Australia at the time, expressed "complete surprise" at the alleged drug find.

□

The actress **Claire Bloom**, **Philip Roth's** long-time companion and now ex-wife, is publishing a scathing memoir that "paints the author as a self-centered misogynist," The New York Times reports. According to her agent, Bloom received "a lot of money" from Vanity Fair for an excerpt of the book, "Leaving a Doll's House" (Little, Brown), and is being forbidden to talk about it for the moment. Roth is also keeping quiet. But friends of the couple say the Bloom-Roth relationship had seemed all right at the time. "He's tense; she's tense," **Gore Vidal** told The Times. "Each is neurotic. They were together 17 years; it couldn't have been all that bad."

□

The disgraced former senator **Bob Packwood** faces the unwelcome honor of seeing his sex scandal take the stage. "The Packwood Diaries" which opened in Washington, was written by a Village Voice reporter, **Karen Houppert**, and her husband, **Stephen Nunns**, who is also directing. "We used all the juicy entries," said Houppert, referring to the journals, newspaper stories and senatorial speeches that were the background to congressional hearings on how Packwood behaved with his female staffers.

□

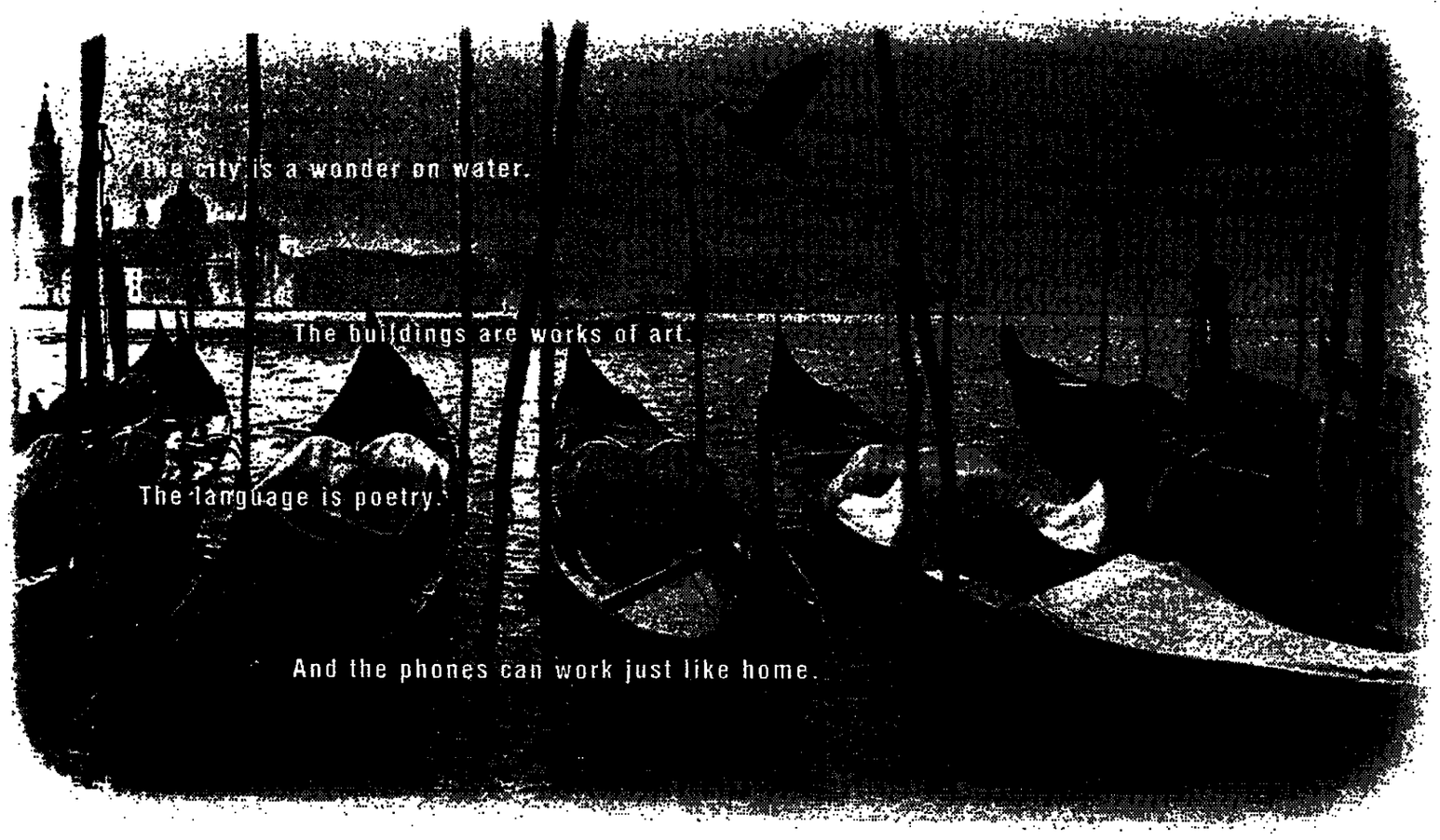
A mistrial was declared in Los Angeles in a suit filed against **Michael Jackson** and several family members by the production company that made the "Jackson Family Honors" show. Smith Hemion Productions had sued the Jackson family after the 1994 show turned out to be a financial disaster. The company contended that Jackson had promised to appear but then reneged. Jackson denied the claim. Before the mistrial ruling, the jury had awarded $2.6 million dollars to Smith-Hemion but declined to hold the Jackson family responsible for the award. This meant that the production company had no legal recourse to collect the money. The judge first asked jurors to reconsider their decision and then declared a mistrial. A new trial has been set for February.

□

For those keeping track, the number of women ambassadors in Washington is the highest ever, 10 out of 172. The doyenne is **Corinne McKnight** of Trinidad and Tobago, 58, and all say they worked twice as hard as their men to "arrive." Five of them gathered at Howard University this week and spoke with students. "You must be firm and know where you are going," said **Ambassador Heng Chee Chan** of Singapore. "You need not be outwardly aggressive."

□

Britain's **Queen Mother**, 96, who had a hip replacement operation in November, has been out dancing again. "She's thrown her sticks away," **Prince Charles** said after his grandmother took the floor at Balmoral Castle in Scotland this week. "She's a great dancer."



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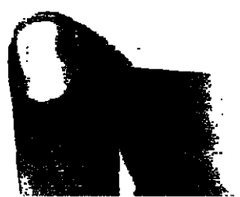

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